

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 18, 2026

RATING – S&P GLOBAL RATINGS: “ ”
See “Bond Rating”, herein

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

The Village will designate the Bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265 of the Code.

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

\$2,280,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2026
(the “Bonds”)

BOND MATURITY SCHEDULE
(See Inside Front Cover)

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

The Bonds maturing on October 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Village, on October 1, 2034 and thereafter on any date, in accordance with terms described herein. (See “*Optional Redemption*” under “*THE BONDS*,” herein.)

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser 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.

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

Any Bonds issued in book-entry form will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their respective interests in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of any book-entry Bonds. Principal of and interest on book-entry Bonds will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) 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 Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See “*DESCRIPTION OF BOOK-ENTRY SYSTEM*” herein).

Sealed bids for the Bonds will be received until 11:00 A.M. (Prevailing Time) on September 30, 2026, in accordance with the Notice of Sale dated September 18, 2026.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Village, and certain other conditions. It is expected that delivery of the Bonds will be made on or about October 14, 2026 in New York, New York.

THIS OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE VILLAGE FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE VILLAGE’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE, AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

**Preliminary, subject to change.*

**VILLAGE OF BROOKVILLE
NASSAU COUNTY, NEW YORK**

\$2,280,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2026

BOND MATURITY SCHEDULE

Dated: October 14, 2026

**Principal Due:
Interest Due:**

**October 1, 2027-2051, inclusive
Semiannually on April 1 and October 1
in each year to maturity, commencing on
October 1, 2027**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2027	\$ 5,000			
2028	55,000			
2029	60,000			
2030	60,000			
2031	65,000			
2032	65,000			
2033	70,000			
2034	70,000			
2035	75,000***			
2036	80,000***			
2037	80,000***			
2038	85,000***			
2039	90,000***			
2040	95,000***			
2041	95,000***			
2042	100,000***			
2043	105,000***			
2044	110,000***			
2045	115,000***			
2046	120,000***			
2047	125,000***			
2048	130,000***			
2049	135,000***			
2050	140,000***			
2051	150,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the Village following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 21.00 of the Local Finance Law.

***Subject to redemption prior to maturity.



**VILLAGE OF BROOKVILLE
NASSAU COUNTY, NEW YORK**

18 Horse Hill Road
Brookville, NY 11545
Telephone: (516) 626-0973

BOARD OF TRUSTEES

Daniel H. Serota, Mayor

Caroline Z. Bazzini, Deputy Mayor
Edward J. Chesnik
John Burns
Michael Genatt

Winsome Citarella, Village Clerk Treasurer
Barbara Valentino, Deputy Village Clerk and Accountant

Attorney for the Village
John M. Chase, Esq.

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York



* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: www.munistat.com

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other 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 the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Village from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information 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
VILLAGE OF BROOKVILLE
NASSAU COUNTY, NEW YORK**

\$2,280,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2026

This Official Statement and appendices thereto present certain information relating to the Village of Brookville, in the State of New York (the "Village" and "State," respectively) in connection with the sale of \$2,280,000* Public Improvement Serial Bonds – 2026 (the "Bonds").

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

THE BONDS

Description of the Bonds

The Bonds will be dated the date of delivery, and will mature in the principal amounts on October 1, in each of the years 2027 to 2051, inclusive, as set forth on the inside cover page. Interest on the Bonds will be payable semi-annually on April 1 and October 1 in each year to maturity, commencing on October 1, 2027.

At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased (See "*DESCRIPTION OF BOOK-ENTRY SYSTEM*," herein).

The Record Date of the Bonds will be the fifteenth day of the month 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's contact information is as follows: Winsome Citarella, Village Clerk Treasurer, Village of Brookville, 18 Horse Hill Road, Brookville, NY 11545, Phone (516) 626-1792 and email: clerk@villageofbrookville.com.

Optional Redemption

The Bonds maturing on or before October 1, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on October 1, 2035 and thereafter will be subject to redemption prior to maturity, at the option of the Village, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after October 1, 2034, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

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 and the Local Finance Law, and a bond resolution duly adopted by the Board of Trustees of the Village as follows:

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Total Amount to be Issued</u>
7/14/2026	Construction of a new Village Hall/Police Headquarters Building	\$11,000,000	\$0	\$2,280,000

*Preliminary, subject to change.

Security and Source of Payment

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

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal of and interest thereon. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property in the Village subject to taxation subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011. (See “*Tax Levy Limit Law*,” herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate for the payment of principal of or interest on indebtedness theretofore contracted. However, Chapter 97 of the New York Laws of 2011, as amended, (the “*Tax Levy Limit Law*”) imposes a statutory limitation on the power of local governments and school districts, including the Village, to increase their annual tax levy. (See “*Tax Levy Limit Law*,” herein.)

DESCRIPTION OF BOOK-ENTRY SYSTEM

In the event the Bonds are issued as book-entry bonds, DTC will act as securities depository for the Bonds. Any book-entry will be issued as fully-registered securities, 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 book-entry and deposited with DTC.

DTC, the world’s largest 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 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.

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

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

Conveyance of notices and other communications by 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.

Beneficial Owners of the book-entry Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the book-entry Bonds 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 on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company, New York, New York.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BOND; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Certificated Bonds

If the Bonds are issued as book-entry bonds, DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. In such event, principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Village as the fiscal agent; certificated Bonds may be transferred or exchanged at no cost to the owner of such bonds at any time prior to maturity at the corporate trust office of the fiscal agent for bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Village Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

RISK FACTORS

The following description summarizes some of the risks associated with an investment in the Bonds and does not purport to be complete. The factors affecting the Village's financial condition described throughout this Official Statement are complex and are not intended to be summarized in any one section. This Official Statement should be read in its entirety.

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

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds.

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

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans expected 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 State fiscal stress. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid; however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. (See also "State Aid" herein.)

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

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

A public health emergency similar to the COVID-19 outbreak could affect the financial condition of the State and municipalities in the State, including the Village.

REMEDIES UPON DEFAULT

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

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

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds 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 including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Village after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

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

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

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

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

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the Counties of Nassau and Erie. 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 by 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.

THE VILLAGE OF BROOKVILLE

There follows in this Statement a brief description of the Village, together with certain information concerning its economy, governmental organization, indebtedness, current major revenue sources, and general and specific funds.

Description

The Village of Brookville, incorporated in 1931, is one of 18 villages in the Town of Oyster Bay in Nassau County, approximately 25 miles east of New York City. The Village consists of approximately 4 square miles, with a population of approximately 3,100 and about 750 residences. The Village is situated along the North Shore of Long Island, an area which is known as the “Gold Coast”. This area is known for its lavish estates and extreme wealth, with income levels far exceeding State and national averages. The Village consistently ranks amongst the most affluent villages in the country.

A Village with a history rooted in farming and woodland and horses, it transitioned to a Gold Coast enclave with wealthy New Yorkers building mansions in the early 20th century. The territory that today comprises the Village was formed in two stages. When the village was incorporated, it consisted of a long, narrow tract of land that was centered along Cedar Swamp Road (NY 107). In the 1950s, the northern portion of the unincorporated area then known as Wheatley Hills was annexed and incorporated into the village, approximately doubling the village's area to its present 2,650 acres.

The Village is within a forty-five minute drive of mid-town Manhattan via the Long Island Expressway or the Northern State Parkway. Kennedy International Airport, Long Island MacArthur Airport and LaGuardia Airport are each approximately a forty-five minute drive from the Village.

The State Highway #25 (Jericho), Routes 25A (Northern Blvd.), and Routes 106 and 107, bring the major shopping and commercial areas of Huntington, Manhasset, Great Neck, Hicksville and Garden City within easy access of Village residents. In addition, public bus transportation is available by the Metropolitan Suburban Bus Authority. Railroad passenger service is available at the Long Island Railroad, Oyster Bay line stations in Greenvale or Roslyn and at the main hub in Hicksville, minutes from the boundary of the Village.

Public school facilities serving the Village include Jericho Union Free School District and Locust Valley Central School District. The Village is the home of LIU Post, which is the largest campus of the private Long Island University system and the location of the Tilles Center for the Performing Arts. Additionally, half of New York Institute of Technology's Old Westbury campus is located in the Village. Other higher education institutions located near the Village include Adelphi University in Garden City, Hofstra University in Hempstead, the State University of New York in Old Westbury and Nassau Community College in Garden City.

Nearby hospitals include Glen Cove Hospital, St. Francis Hospital, and Syosset Hospital.

The Village has police protection through the Brookville Police Department, which also serves the Villages of Matinecock and Mill Neck, and Cove Neck through a service agreement. Fire protection is primarily through East Norwich Fire Company with localized support from other nearby volunteer departments.

Governmental Organization

The Village was incorporated in 1931. Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village, and special laws applicable to the Village.

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

The executive responsibility for the Village is vested in the Mayor. In the absence of the Mayor, the Deputy Mayor presides. A majority of the Board shall constitute a quorum for the transaction of Village business. At least three Board members must vote in the affirmative for a contract or obligation to pass. The Mayor has no veto power, but the same powers as a Trustee to vote upon all matters that come before the Board. The Mayor also has the power to call special meetings of the Board as can be done when two or more of the Trustees request it.

Employees

The Village provides services through approximately 28 employees including The Brookville Police Benevolent Association with approximately 18 employees, and has a contract that expires May 31, 2027.

DEMOGRAPHIC AND STATISTICAL INFORMATION

Since 2000, the Village has had a population trend, as compared to the Towns, County, and State as indicated below:

Population Trends

<u>Year</u>	<u>Village of Brookville</u>	<u>Town of Oyster Bay</u>	<u>Nassau County</u>	<u>New York State</u>
2000	3,084	293,925	1,334,544	18,976,457
2010	2,958	293,214	1,339,532	19,378,102
2020	3,150	301,332	1,355,683	19,514,849
2024	3,142	299,530	1,392,438	19,571,216

Sources: U.S. Bureau of the Census

Income Data

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

	Per Capita Money Income		
	2000	2020	2024 ^a
Village of Brookville	\$84,375	\$101,078	\$167,678
Town of Oyster Bay	35,895	60,848	71,106
County of Nassau	32,151	53,363	55,754
State of New York	23,389	40,898	51,002

	Median Household Income		
	2000	2020	2024 ^a
Village of Brookville	\$200,004	\$294,972	\$250,001 ^b
Town of Oyster Bay	78,839	132,216	152,258
County of Nassau	72,030	120,036	126,863
State of New York	43,393	71,117	85,820

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2020-2024)

b. The American Community uses open-ended top brackets for disclosure avoidance and to simplify data reporting.

Selected Listing of Major Employers in the Town of Oyster Bay ^a

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Employment Code</u>
Pro Health ENT	Otorhinolaryngology Ear Nose Physician	B
Long Island Jewish Medical Center	Hospitals	B
North Shore Univ. Hospital	Hospitals	B
Trauma Center at NYU Langone	Hospitals	B
Cold Spring Harbor Laboratory	Physical Engineering	C
CSEA Local 881	Labor Organizations	C
Hofstra University Law School	Law School	C
Long Island Jewish Valley Stream	Hospitals	C
Mercy Hospital	Hospitals	C
Mt. Sinai South Nassau	Hospitals	C
Nassau Community College	College	C
Nassau University Medical Center	Hospitals	C
Plainview Hospital	Hospitals	C
Zuckerburg Cancer Center	Physicians/Surgeons	C

<u>Employment Code</u>	<u>Approx. Number of Employees</u>
A	More than 10,000
B	5,000 to 9,999
C	1,000 to 4,999

Sources: Data Axle Reference Solutions – U.S. Businesses Database Verified Employers, Nassau County, New York (accessed July 18, 2026). Reference to this data source implies no warranty of accuracy of the information therefrom.

a. Not necessarily representative of the Village.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Town of Oyster Bay (%)</u>	<u>County of Suffolk (%)</u>	<u>New York State (%)</u>
2021	4.4	5.2	7.2
2022	2.6	3.1	4.4
2023	2.8	3.2	4.2
2024	3.0	3.5	4.3
2025	3.2	3.5	4.2
2026 (YTD)	3.4	3.8	4.5

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

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

Purpose and Pledge. The Village shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any 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 as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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 the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", 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 principal of or interest on 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 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 to the constitutional provisions set forth above. The power to spend money, however, generally derives from other laws, including the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, except in the event that the Village determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Village has complied with such procedure with respect to the bond resolution authorizing the issuance of the Bonds.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bond, 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, bonds 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 bonds were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

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

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

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate 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 and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Village to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of September 18, 2026)

Fiscal Year Ending May 31:	Assessed Valuation	State Equalization Rate (%)	Full Valuation
2022	\$16,411,294	1.260	\$1,302,483,651
2023	16,931,174	1.080	1,567,701,296
2024	17,170,728	1.090	1,575,296,147
2025	17,392,609	1.000	1,739,260,900
2026	17,754,476	0.920	<u>1,929,834,348</u>
Total Five Year Full Valuation			\$8,114,576,342
Average Five Year Full Valuation			1,622,915,268
Debt Limit - 7% of Average Full Valuation			113,604,069
Inclusions:			
General Purpose Bonds			0
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>0</u>
Exclusions:			
Water Debt			0
Bond Appropriations			<u>0</u>
Total Exclusions			<u>0</u>
Total Net Indebtedness Before Issuing the Notes			<u>0</u>
The Bonds			2,280,000
Less: BANs Being Redeemed by the Bonds			<u>0</u>
Total Net Effect of the Bonds			<u>2,280,000</u>
Total Net Indebtedness After Issuing the Notes			<u>2,280,000</u>
Net Debt Contracting Margin			<u><u>\$113,604,069</u></u>
Percent of Debt Contracting Margin Exhausted (%)			2.01%

Source: Village Officials and Munistat Services Inc

Debt Service Requirements - Outstanding Bonds

As of the date of this Official Statement, the Village has no bonds outstanding.

Details of Short-Term Indebtedness Outstanding

As of the date of this Statement, the Village has no bond anticipation notes outstanding.

Authorized but Unissued Indebtedness

As of the date of this Statement, the Village has authorized but unissued debt in the amount of \$11,000,000 for the construction of a new Village Hall/Police Headquarters. The issuance of the Bonds will finance \$2,280,000 of such amount.

Capital Project Plans

The Village is generally responsible for providing services as required to the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system and repairs to such facilities requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates and maintains certain public works facilities that house the Village's Public Works equipment, vehicles and machinery and provide space for maintenance and repair work for such equipment, vehicles and machinery. Improvements, maintenance and repairs to such facilities are authorized to be funded from time to time as the Board deems necessary. The Village expects to continue to finance projects in similar amounts that have prevailed in the past.

Trend of Outstanding Debt

	2021	2022	2023	2024	2025
Bonds	\$0	\$0	\$0	\$0	\$0
BANs	0	0	0	0	0
Total Debt Outstanding	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Nassau	03/31/25	0.65%	\$20,952,022	\$18,800,490
Town of Oyster Bay	08/06/26	2.12	16,487,070	10,873,200
Locust Valley CSD	05/31/25	36.71	891,780	891,780
Jericho UFSD	09/16/25	25.93	0	0
Totals			<u>\$38,330,872</u>	<u>\$30,565,469</u>

Debt Ratios

(As of September 11, 2026)

	Amount	Per Capita ^a	Percentage Of Full Value (%) ^b
Total Direct Debt	\$0	\$0	0.000
Net Direct Debt	0	0	0.000
Total Direct & Applicable Total Overlapping Debt	38,330,872	12,200	1.986
Net Direct & Applicable Net Overlapping Debt	30,565,469	9,728	1.584

a. The current estimated population of the Village is 3,142.

b. The full valuation of taxable real property in the Village for 2025-26 is \$1,929,834,348

FINANCES OF THE VILLAGE

Financial Statements and Accounting Procedures

The financial statements of the Village are audited each year by an independent public accountant. The latest year for which an audited financial statement is available is the fiscal year ended May 31, 2025 and is attached hereto as Appendix B. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and Federal statutes. As required by law, the Village also prepares an Annual Financial Report ("AFR") for submission to the State Comptroller. A summary of the operating results for the past five fiscal years is attached as Appendix A hereto.

Fund Structure and Accounts

The Village utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following governmental funds: General Fund, Special Revenue Funds, and the Capital Projects Fund. Fiduciary funds consist of a Custodial Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Village's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting, that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

Investment Policy

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

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All of the foregoing 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 obligations 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 by Section 10 of the GML.

The Board of Trustees of the Village has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Village are made in accordance with such policy.

Budgetary Procedures

The Mayor is responsible for the preparation and submission of the tentative annual budget to the Board. The Village Board reviews the tentative budget and prepares a preliminary budget and a public hearing is held thereon. Subsequent to the public hearing, revisions (if any) are made. The budget is then adopted by the Village Board as final for the year beginning June 1. The budget is not subject to referendum. Municipal law provides that no expenditures may exceed budgeted appropriations. Any revisions to the annual budget proposed to accommodate changes in departments or other programs must be adopted by resolution of the Village Board.

2026 Projected Results of Operations (Draft Audited Financial Statement)

Based upon the draft audited financial statement for the fiscal year ending May 31, 2026, the Village's total revenue including transfers in the General Fund will be approximately \$5.36 million and the total expenditures, including transfers will be approximately \$6.26 million, resulting in an operating deficit of approximately \$901,332. The total overall fund balance in the General Fund is expected to decrease from \$3.02 million to \$2.12 million. The completed audited financial statement for the fiscal year ending May 31, 2026 is expected to be available by the end of the fourth quarter. Audited numbers are not expected to differ.

Financial Operations

The Village Treasurer functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Village Treasurer is responsible for the Village's accounting and financial reporting activities. The Mayor is the Village's budget officer and prepares the annual tentative budget for submission to the Board of Trustees. Budgetary control during the year is the responsibility of the Village Treasurer. Pursuant to Section 30.00 of the Local Finance Law, the Village Treasurer has been authorized to issue or renew certain specific types of notes. As required by law, the Village Treasurer must execute an authorizing certificate which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. Capital projects and selected equipment purchases are accounted for in special capital projects funds. The Village observes a June 1 - May 31 fiscal year for operating and reporting purposes.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village. Other revenues include Non-Property Taxes, Intergovernmental Charges, Departmental Income and State aid. A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A. See also "Tax Levy Limit Law" herein.

Real Property Taxes

See "Tax Information", herein.

State Aid

The Village receives financial assistance from the State. 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. Additionally, 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 this year of future years, 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.

Based on the audited financial statements of the Village, the Village received approximately 4.55% of its total General Fund operating revenue from State aid in 2025. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Village cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal monies made available to pay State aid in future years, the Village may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Village's General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2021 through 2025 and the budgeted amounts for 2026 and 2027.

<u>Fiscal Year Ending May 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2021	\$5,097,061	\$525,579	10.31
2022	4,868,957	413,394	8.49
2023	4,965,716	324,243	6.53
2024	5,807,960	208,247	3.59
2025	5,470,536	248,780	4.55
2026 (Budgeted) ^a	6,447,255	245,500	3.81
2027 (Budgeted) ^a	6,202,381	250,500	4.04

Sources: Audited Financials of the Village (2021-2025) and Adopted Budget of the Village (2026-2027).

a. Includes appropriated fund balance.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities 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, objectively measured and quantifiable information to school districts and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each municipality's annual report filed with the Office of the State Comptroller (OSC). Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification 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, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of OSC designates the Village as "No Designation" (Fiscal Score: 3.3%; Environmental Score: 23.3%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. There have not been any audits conducted on the Village in the past five fiscal years.

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

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Transportation, Home & Community Services and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A.

Pension Systems

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS"), a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the State Retirement System and Social Security Law (the "Retirement System Law"). The NYS Retirement System offers a wide range of plans and 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 service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts, which are collected through annual billings to all

participating employers. Generally, all full-time employees participate in the NYS Retirement System. ERS is non-contributory with respect to members hired prior to July 27, 1976. All ERS members hired on or after July 27, 1976, with less than ten years' experience, must contribute 3% of gross annual salary toward the cost of retirement programs.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. In certain years, as a result of declines in the equity markets, the pension system has become underfunded. As a result, required contributions increased substantially to 15% to 20% (percentage dependent on tier) of payroll for the ERS. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

The investment of monies, and assumptions underlying same, of the NYS Retirement System covering the Village's employees is not subject to the direction of the Village. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the NYS Retirement System ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment returns and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Village, which could affect other budgetary matters. Concerned investors should contract the NYS Retirement System administrative staff for further information on the latest actuarial valuations of the NYS Retirement System.

In the event that there are capital market declines in the future, the State's Retirement System portfolio may experience negative investment performance and downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the NYS Retirement System. However, although these options reduce near term payments, it may require higher than normal contributions in later years.

Recent changes in State law implemented changes in employee benefits for certain employees, including a reduction in required contributions for "Tier 6" employees. Such changes are expected to result in increased costs to participating employers, including the Village.

As of May 31, 2025, the Village does not have any amortized amounts due to the NYS Retirement System, nor does it expect to amortize any payments for the foreseeable future.

Payments to the Retirement Systems

The payment amounts by the Village to the Retirement System for the past five fiscal years and amounts budgeted for the current fiscal year.

Fiscal Year Ending December 31:	ERS	PFRS
2022	\$123,197	-
2023	90,317	308,231
2024	108,576	342,720
2025	135,891	527,016
2026	149,583	720,077
2027 (Budgeted)	172,000	904,000

Other Post-Employment Benefits ("OPEB")

OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 75 ("GASB 75") described below requires such accounting.

GASB 75 of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits. GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

During the year ended May 31, 2019, the Village adopted GASB 75, which eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

The Village’s total OPEB liability at May 31, 2025 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending May 31, 2025:
Total OPEB liability as of May 31, 2024	<u>\$3,140,018</u>
Changes for the year:	
Service Cost	58,593
Interest	138,161
Differences between actual and expected experience	(655,817)
Changes in Assumptions and Other Inputs	<u>(208,933)</u>
Total Changes	<u>(\$667,996)</u>
Total OPEB liability as of May 31, 2025	<u><u>\$2,472,022</u></u>

In some recent years, OSC has proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The Village cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis.

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, is limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village. (See “*Tax Limit*” herein.) The State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations.

Tax Collection Procedure

Taxes are due June 1, payable without penalty to July 1. Penalties thereafter are 5% for the first month and 1% for each additional month thereafter until paid. Collection may be enforced by civil action or other methods pursuant to law.

The following table sets forth the percentage of the Village's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2021 through 2025, and, as budgeted, for the years ending 2026 and 2027.

<u>Fiscal Year Ending May 31:</u>	<u>Total Revenue</u>	<u>Property Taxes</u>	<u>Property Taxes To Revenues (%)</u>
2021	\$5,097,061	\$3,111,803	61.05
2022	4,868,957	3,217,875	66.09
2023	4,965,716	3,272,830	65.91
2024	5,807,960	3,348,466	57.65
2025	5,470,536	3,385,139	61.88
2026 (Budgeted) ^a	6,447,255	3,482,883	54.02
2027 (Budgeted) ^a	6,202,381	3,586,155	57.82

Source: Audited Financials of the Village (2021-2025) and Adopted Budget of the Village (2026 and 2027)

a. Includes appropriated fund balance.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, 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 to pay the bonds and notes of the Village and interest thereon is subject to statutory limitations set forth in Tax Levy Limit Law.

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 Village Board is authorized to adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board 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.

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2026-2027 fiscal year is as follows:

Five-year Average Full Valuation	1,527,795,507
Constitutional Tax Limit	30,555,910
Tax Levy	3,586,155
Less: Exclusions	<u>0</u>
Tax Levy Subject to Tax Limit	\$3,586,155
Constitutional Tax Margin	<u><u>\$26,969,755</u></u>

Tax Levies and Rates

	Fiscal Year Ending May 31:				
	2022	2023	2024	2025	2026
Net Tax Levy	\$3,203,366	\$3,333,630	\$3,362,152	\$3,411,820	\$3,482,883
Collected During Year	\$3,193,301	\$3,232,557	\$3,183,497	\$3,392,518	\$3,435,794
Percent Collected	99.69%	96.96%	94.68%	99.43%	98.64%
Taxes Rate per \$1,000 of Assessed Valuation	16.99	16.99	16.99	16.99	16.99

Selected Listing of Large Taxable Properties 2025-2026 Assessment Roll ^a

Name	Type	Assessed Valuation
Reddy	Residential	\$180,790
Magineaux	Residential	180,000
Feinstein	Residential	151,810
LIU	Horse Stables	141,185
McGrath	Residential/Vacant Land	141,000
Segme Tam	Golf Club	118,000
Sultan	Residential	103,000
Hagani	Residential/Vacant Land	91,060
Isakov	Residential	86,320
Chang	Residential	76,039
Khan	Residential	73,550
Boral	Residential	64,000
Peykar	Residential	60,173
McGrath	Residential/Vacant Land	<u>51,200</u>
Total ^b		<u><u>\$1,518,127</u></u>

a. Assessment Roll established in 2025-2026 for levy and collection of taxes during 2026-2027 Fiscal Year.

b. Represents approximately 8.55% of the total taxable assessed valuation of the Village for 2025-2026.

CYBERSECURITY

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. To mitigate such risk the Village has contracted with an outside technology firm to assist in the prevention detection and remediation of any such attacks. In addition, the Village maintains an insurance policy covering cyber liability. 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.

LITIGATION

In common with other villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial conditions of the Village.

ENVIRONMENTAL

Environmental factors, including climate change, pose significant risks to the region. The magnitude of the impact on the Village's operations, economy, and financial condition of rising sea levels, coastal flooding, and more frequent and extreme weather events is indeterminate and unpredictable. No assurance can be given that the Village will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves, or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operation, economy, or financial condition of the Village.

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bonds after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of

the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially in the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Village will provide an executed copy of its Undertaking to Provide Continuing Disclosure with respect to the Bonds substantially in the form set forth in Appendix D.

RATING

The Village has applied to S&P Global Ratings ("S&P") 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153 for rating on the Bonds. Such application is pending at this time. Such rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any downward revision or withdrawal of the rating assigned to the Bonds could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Village on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The plan of financing and the structuring of the Notes and Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Winsome Citarella, Village Clerk Treasurer, Village of Brookville, 18 Horse Hill Road, Brookville, NY 11545, (516) 626-1792 and email: clerk@villageofbrookville.com, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: www.munistat.com.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Village’s management’s beliefs as well as assumptions made by, and information currently available to, the Village’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village files with the Electronic Municipal Market Access System. When used in Village’s documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Village which delegates to the Village Treasurer the power to sell and issue the Bonds.

By: s/s WINSOME CITARELLA
Village Treasurer
Village of Brookville
Brookville, NY 11040

APPENDIX A

FINANCIAL INFORMATION

Balance Sheets
General Funds

	Fiscal Year Ended May 31:	
	<u>2025</u>	<u>2026</u>
Assets:		
Cash and Cash Equivalents	\$ 2,933,113	\$ 2,973,537
Investments	902,128	
Taxes Receivable	56,170	80,447
Due from Other Governments	63,183	73,153
Other receivables	47,973	53,251
Prepaid Expenses	<u>52,807</u>	<u>57,343</u>
Total Assets	<u>\$ 4,055,374</u>	<u>\$ 3,237,731</u>
Liabilities:		
Accounts Payable	\$ 557,032	\$ 617,475
Accrued Liabilities	20,947	18,593
Due to Retirement Systems	24,931	26,254
Due to fiduciary funds		
Due to other funds	233,000	369,742
Unearned Revenues	136,742	
Deferred Inflows	<u>56,170</u>	<u>80,447</u>
Total Liabilities	<u>1,028,822</u>	<u>1,112,511</u>
Fund Balance:		
Nonspendable	52,807	57,343
Restricted		
Assigned	1,273,679	787,976
Unassigned	<u>1,700,066</u>	<u>1,279,901</u>
Total Fund Balance	<u>3,026,552</u>	<u>2,125,220</u>
Total Liabilities & Fund Balance	<u>\$ 4,055,374</u>	<u>\$ 3,237,731</u>

Source: Audited Financial Statements (2025) & Draft Financial Statements (2026).

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
General Fund

Fiscal Year Ended May 31:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues:					
Real Property Taxes	\$ 3,217,875	\$ 3,272,830	\$ 3,348,466	\$ 3,385,139	\$ 3,443,905
Other Real Property Tax Items	158,453	149,001	170,025	167,709	179,385
Non-Property Taxes	157,555	174,180	188,025	181,887	189,742
Licenses and Permits	765,178	827,752	1,558,529	861,266	854,268
Departmental income	58,000	52,000	43,750	41,000	55,000
Fines and Forfeitures	25,468	29,609	50,625	56,141	65,775
Use of money and property	14,340	72,372	178,321	198,691	139,077
State Aid	413,394	324,243	208,247	248,780	268,746
Sale of property and compensation for loss		232		15,407	52
Federal Aid				233,000	136,742
Miscellaneous	58,694	63,497	61,972	81,516	29,873
Total Revenues	<u>4,868,957</u>	<u>4,965,716</u>	<u>5,807,960</u>	<u>5,470,536</u>	<u>5,362,565</u>
Expenditures:					
General Government Support	827,871	816,372	809,172	999,977	893,874
Public Safety	2,255,481	2,325,019	2,801,998	2,855,060	3,084,471
Transportation	256,841	273,292	289,104	315,901	410,679
Culture and Recreation	10,362	20,088	11,759	33,335	19,440
Home and Community Services	232,384	255,760	301,110	274,097	328,588
Employee Benefits	279,263	272,855	306,378	342,666	373,268
Debt Service			60,399	66,280	66,280
Total Expenditures	<u>3,862,202</u>	<u>3,963,386</u>	<u>4,579,920</u>	<u>4,887,316</u>	<u>5,176,600</u>
Other Financing Sources (Uses):					
Premiums on Obligations					
Operating Transfers In					
Operating Transfers (Out)	<u>(657,297)</u>	<u>(767,297)</u>	<u>(812,297)</u>	<u>(812,297)</u>	<u>(1,087,297)</u>
Total Other Financing Sources (Uses)	<u>(657,297)</u>	<u>(767,297)</u>	<u>(812,297)</u>	<u>(812,297)</u>	<u>(1,087,297)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>349,458</u>	<u>235,033</u>	<u>415,743</u>	<u>(229,077)</u>	<u>(901,332)</u>
Fund Balance Beginning of Year	<u>2,255,395</u>	<u>2,604,853</u>	<u>2,839,886</u>	<u>3,255,629</u>	<u>3,026,552</u>
Prior Period Adjustments					
Fund Balance End of Year	<u>\$ 2,604,853</u>	<u>\$ 2,839,886</u>	<u>\$ 3,255,629</u>	<u>\$ 3,026,552</u>	<u>\$ 2,125,220</u>

Source: Audited Financial Statements (2022-2025) & Draft Financial Statements (2026).

NOTE: This Schedule is NOT audited.

Budget Summaries
General Fund

		Fiscal Year Ended May 31:	
		<u>2025-2026</u>	<u>2026-2027</u>
Revenues:			
Real Property Taxes and Items	\$	3,482,883	\$ 3,586,155
Real Property Tax Items		167,143	175,450
Non Property Tax Items		183,753	188,753
Departmental Income		40,000	37,000
Use of Money & Property		115,000	130,000
Licenses and Permits		840,000	940,000
Fines and Forfeitures		50,000	60,000
Miscellaneous		49,297	46,547
State Aid		245,500	250,500
Appropriated Surplus		<u>1,273,679</u>	<u>787,976</u>
Total Revenues	\$	<u><u>6,447,255</u></u>	\$ <u><u>6,202,381</u></u>
Expenditures:			
General Support	\$	996,013	\$ 988,138
Public Safety		3,069,480	3,343,935
Health		150	150
Transportation		424,916	436,678
Culture and Recreation		27,000	27,000
Home and Community Services		476,299	311,683
Employee Benefits		366,100	457,500
Debt Service			
Interfund Transfers		<u>1,087,297</u>	<u>637,297</u>
Total Expenditures	\$	<u><u>6,447,255</u></u>	\$ <u><u>6,202,381</u></u>

Sources: Adopted Budgets of the Village.

VILLAGE OF BROOKVILLE

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.



INCORPORATED VILLAGE OF BROOKVILLE

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

AS OF AND FOR THE YEAR ENDED MAY 31, 2025

TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

INCORPORATED VILLAGE OF BROOKVILLE
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Incorporated Village of Brookville:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

NawrockiSmith

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, on pages 4-13 and pages 45-48 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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.

NawrockiSmith

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

Hauppauge, New York
September 19, 2025

A handwritten signature in dark ink that reads "Nawrocki Smith LLP". The signature is written in a cursive, flowing style.

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

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

FINANCIAL HIGHLIGHTS

- As of May 31, 2025, the Village reflected total assets of \$14,547,491, total deferred outflows of resources of \$522,544, total liabilities of \$3,659,511, total deferred inflows of resources of \$1,284,256 and total net position of \$10,126,268.
- Total revenues for the year ended May 31, 2025 were \$6,253,544 and total expenses were \$4,948,153 resulting in revenues exceeding expenditures by \$1,305,391.
- As of May 31, 2025, the General Fund had total fund balance of \$3,026,552, of which was a decrease of \$229,077 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

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

Village-Wide Financial Statements

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

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

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

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Village's overall health, you need to consider additional non-financial factors such as availability of State and Federal funding and the condition of buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Village establishes other funds to control and to manage money for particular purposes or to show that it is properly using certain revenues (such as Federal grants).

The Village maintains the following funds:

- Governmental funds: Most of the Village's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the Village-wide financial statements, reconciliations of the Village-wide and fund financial statements are provided which explain the relationship (or differences) between them.
- Fiduciary funds: The Village is a custodian, for assets that belong to others. The Village is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those whom the assets belong. The Village excludes these activities from the Village-wide financial statements because it cannot use these assets to finance its operations.

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's net position increased by 14.8% from the year before to \$10,126,268 as detailed in Table A-2.

Table A-2: Condensed Statements of Net Position - Governmental Activities				
	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 4,055,374	\$ 4,236,465	\$ (181,091)	(4.3)
Noncurrent assets	5,079,347	4,199,732	879,615	20.9
Capital assets, net	<u>5,412,770</u>	<u>5,200,882</u>	<u>211,888</u>	4.1
Total assets	<u>\$ 14,547,491</u>	<u>\$ 13,637,079</u>	<u>\$ 910,412</u>	6.7
Deferred outflows of resources	<u>\$ 522,544</u>	<u>\$ 791,063</u>	<u>\$ (268,519)</u>	(33.9)
Current liabilities	\$ 808,444	\$ 1,001,545	\$ (193,101)	(19.3)
Noncurrent liabilities	<u>2,851,067</u>	<u>3,558,016</u>	<u>(706,949)</u>	(19.9)
Total liabilities	3,659,511	4,559,561	(900,050)	(19.7)
Deferred inflows of resources	<u>1,284,256</u>	<u>1,047,704</u>	<u>236,552</u>	22.6
Total liabilities and deferred inflows of resources	<u>\$ 4,943,767</u>	<u>\$ 5,607,265</u>	<u>\$ (663,498)</u>	(11.8)
Net position:				
Net investment in capital assets	\$ 5,236,996	\$ 4,967,535	\$ 269,461	5.4
Restricted	5,261,799	4,150,293	1,111,506	26.8
Unrestricted	<u>(372,527)</u>	<u>(296,951)</u>	<u>(75,576)</u>	(25.5)
Total net position	<u>\$ 10,126,268</u>	<u>\$ 8,820,877</u>	<u>\$ 1,305,391</u>	14.8

Changes in Net Position

The Village's fiscal year 2025 revenues totaled \$6,253,544, which is 4.5% more than fiscal year 2024 (see Table A-3). Property taxes, charges for services and operating grants accounted for 82.6% of total revenues (see Table A-4). The remainder came from other tax items, non-property tax item, use of money and property and other miscellaneous sources.

- Real property taxes increased by 1.1% as a result of an increase of Village-wide property values.
- Operating grants increased by 294.3% as a result of the Village receiving more funds from New York State Department of Transportation.

The Village's fiscal year 2025 expenses totaled \$4,948,153, which is 3.0% less than fiscal year 2024 (see Table A-3). Of these expenses 90.0% are predominately related to general government, public safety and transportation (see Table A-6).

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

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

	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program revenues:				
Charges for services	\$ 958,407	\$ 1,652,904	\$ (694,497)	(42.0)
Operating grants	821,058	208,247	612,811	294.3
General revenues:				
Real property taxes	3,385,139	3,348,466	36,673	1.1
Other tax items	167,709	170,025	(2,316)	(1.4)
Non-property tax items	181,887	188,025	(6,138)	(3.3)
Use of money and property	409,421	356,839	52,582	14.7
Sale of property and compensation for loss	15,407	-	15,407	(100.0)
Federal aid	233,000	-	233,000	(100.0)
Miscellaneous	<u>81,516</u>	<u>61,972</u>	<u>19,544</u>	31.5
Total revenues	<u>6,253,544</u>	<u>5,986,478</u>	<u>267,066</u>	4.5
Expenses				
General government	1,073,731	1,237,857	(164,126)	(13.3)
Public safety	2,870,816	2,817,423	53,393	1.9
Transportation	507,279	494,648	12,631	2.6
Culture and recreation	33,335	24,559	8,776	35.7
Home and community services	454,285	528,759	(74,474)	(14.1)
Debt service - interest	<u>8,707</u>	<u>559</u>	<u>8,148</u>	1,457.6
Total expenses	<u>4,948,153</u>	<u>5,103,805</u>	<u>(155,652)</u>	(3.0)
Increase in net position	1,305,391	882,673	422,718	47.9
Beginning net position	<u>8,820,877</u>	<u>7,938,204</u>	<u>882,673</u>	11.1
Ending net position	<u>\$ 10,126,268</u>	<u>\$ 8,820,877</u>	<u>\$ 1,305,391</u>	14.8

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

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

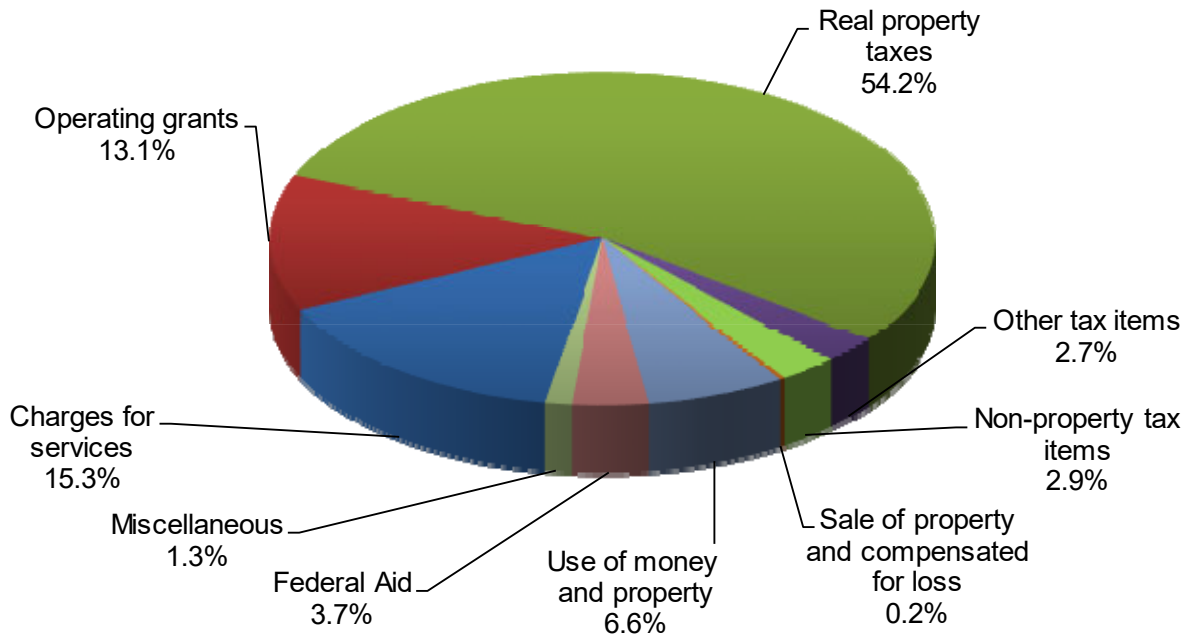
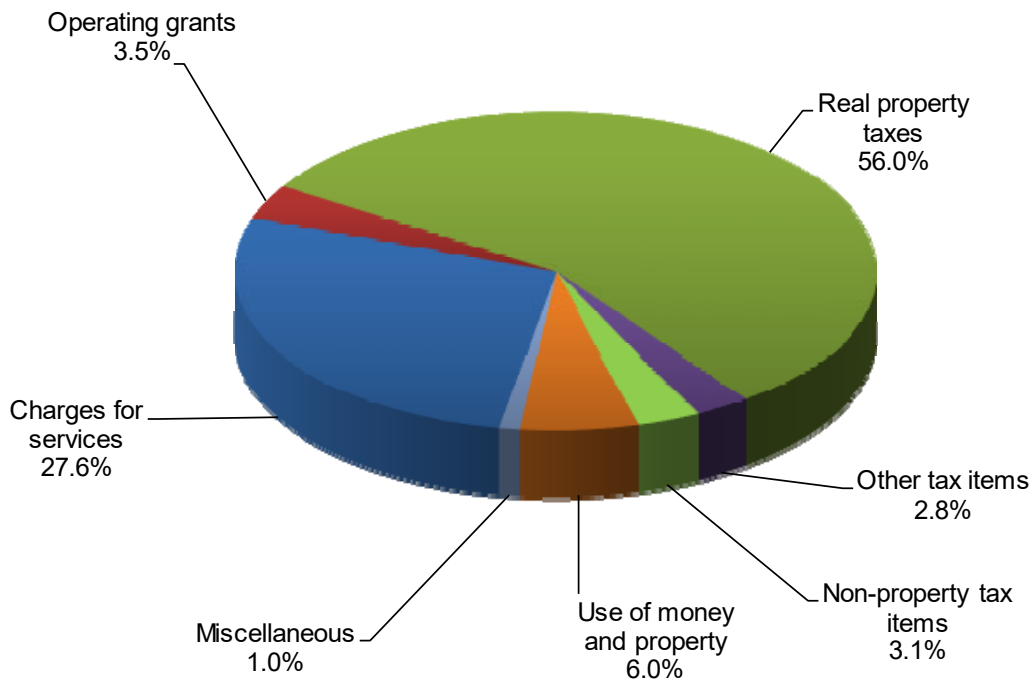


Table A-5: Sources of Revenues for Fiscal Year 2024



**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

Table A-6: Expenses for Fiscal Year 2025

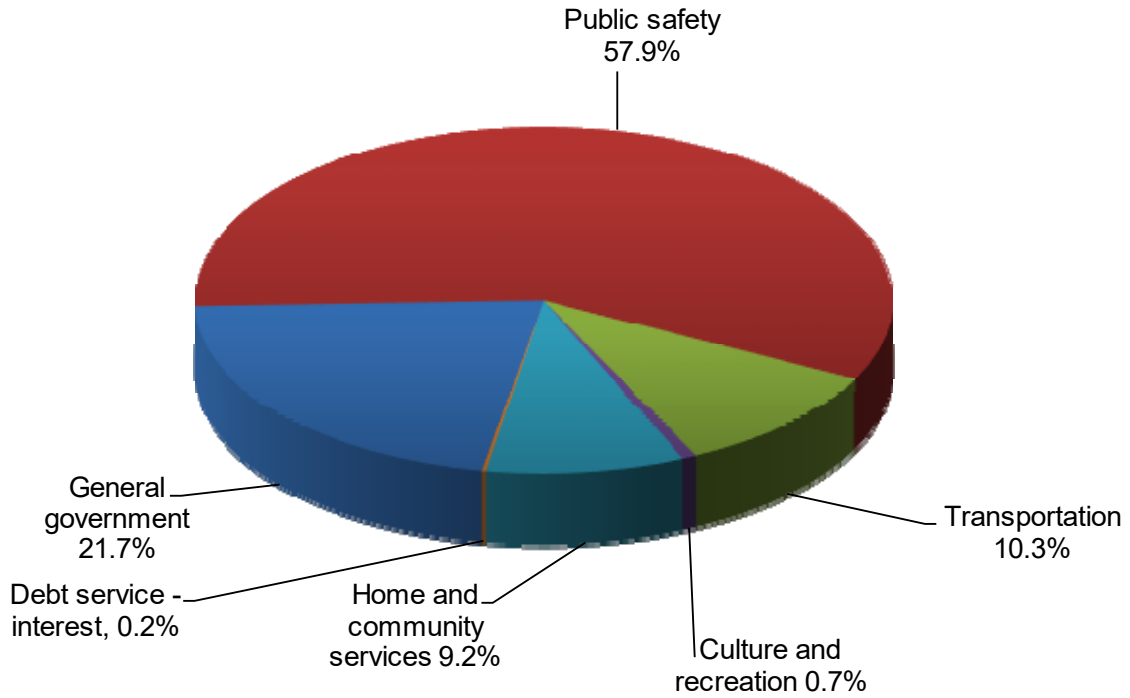
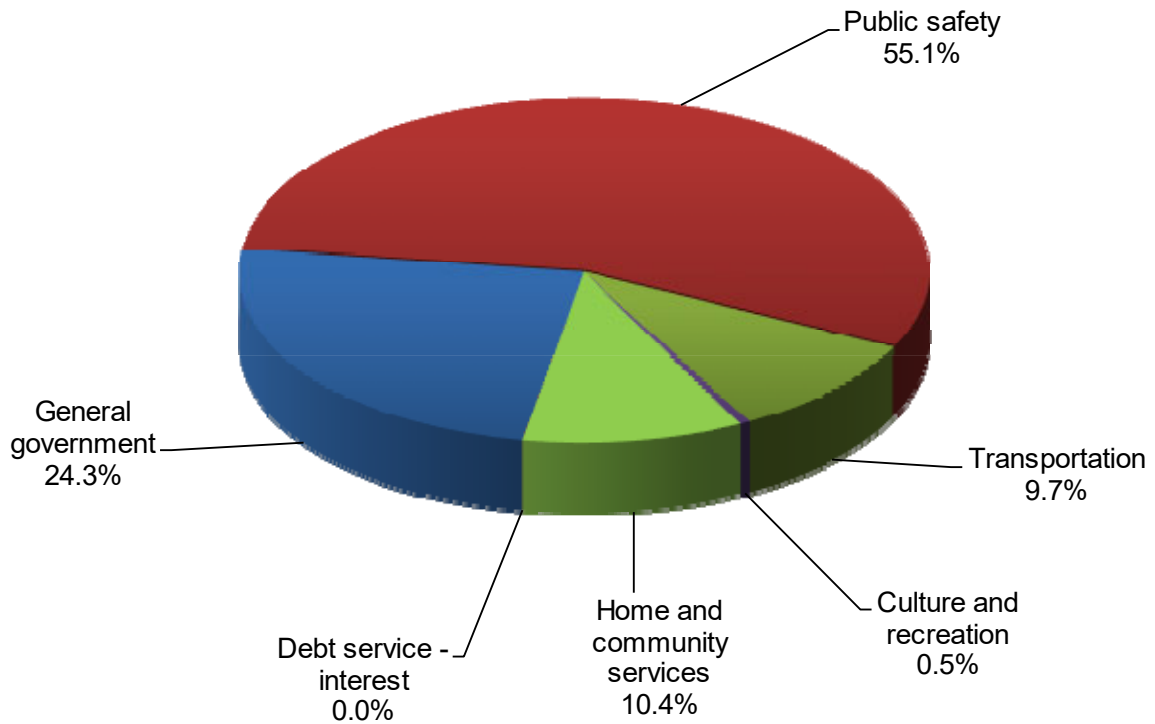


Table A-7: Expenses for Fiscal Year 2024



**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

Governmental Activities

Revenues for the Village's governmental activities were consistent with the Village-wide operating results. Village-wide expenditures were less than governmental expenditures due principally to the capitalization of capital assets offset by depreciation changes and pension obligations.

The primary program activities of the Village included:

- Refuse disposal
- Public safety
- Street maintenance
- Street lighting
- Snow removal
- Recreational activities

Substantially all of the Village's revenues are generated through real property taxes and licenses and permits.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

- Total assets increased from \$8,436,197 in 2024 to \$9,367,721 in 2025. The overall increase is due to an increase in restricted cash and investments.
- Total liabilities increased from \$943,972 in 2024 to \$981,652 in 2025. This increase is primarily due to an increase in due to capital projects and unearned revenue.

As of May 31, 2025, the Village's governmental funds had a combined fund balance of \$8,329,899 which is an increase of \$883,620 from the previous year. Fund balances for the Village's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds				
	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
General Fund				
Nonspendable:				
Prepaid expenses	\$ 52,807	\$ 52,457	\$ 350	0.7
Assigned:				
Designated for subsequent year's expenditures	1,273,679	485,125	788,554	162.5
Unassigned	<u>1,700,066</u>	<u>2,718,047</u>	<u>(1,017,981)</u>	(37.5)
Total General Fund	<u>3,026,552</u>	<u>3,255,629</u>	<u>(229,077)</u>	(7.0)

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

Table A-8: Fund Balances - Governmental Funds, cont'd

	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Projects Fund				
Restricted:				
Restricted for capital related	<u>\$5,261,799</u>	<u>\$4,150,293</u>	<u>\$ 1,111,506</u>	26.8
Total Capital Projects Fund	<u>5,261,799</u>	<u>4,150,293</u>	<u>1,111,506</u>	26.8
Special Revenue Fund				
Assigned:				
Assigned for special purpose	<u>41,548</u>	<u>40,357</u>	<u>1,191</u>	3.0
Total Special Revenue Fund	<u>41,548</u>	<u>40,357</u>	<u>1,191</u>	3.0
Total fund balance	<u>\$8,329,899</u>	<u>\$7,446,279</u>	<u>\$ 883,620</u>	11.9

General Fund Budgetary Highlights

Reference is made to the budget and actual schedule on page 45 which presents budget and actual results for the Village's General Fund.

- Actual revenues and other sources in the General Fund were more than budgeted revenues by \$245,078 (before appropriated fund balance), primarily due to revenues received from federal aid.
- Actual expenditures in the General Fund were lower than budget by \$10,970, primarily due to conservative spending in all categories.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the Village had invested \$5,412,770, net of depreciation, in a broad range of capital assets, including land, construction-in-progress, land improvements, buildings, infrastructure, furniture and equipment and right-to-use lease assets.

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

	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 18,001	\$ 18,001	\$ -	-
Construction-in-progress	417,836	140,120	277,716	198.2
Buildings	176,938	187,982	(11,044)	(5.9)
Improvements, other than building	33,213	40,146	(6,933)	(17.3)
Infrastructure	4,331,589	4,272,496	59,093	1.4
Vehicles, furniture, machinery and equipment	259,852	305,137	(45,285)	(14.8)
Right-to-use lease assets	<u>175,341</u>	<u>237,000</u>	<u>(61,659)</u>	(26.0)
Totals	<u>\$ 5,412,770</u>	<u>\$ 5,200,882</u>	<u>\$ 211,888</u>	4.1

**INCORPORATED VILLAGE OF BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED MAY 31, 2025**

Long-Term Liabilities

At year-end, the Village had the following long-term liabilities outstanding.

Table A-10: Outstanding Long-Term Liabilities				
	<u>05/31/2025</u>	<u>05/31/2024</u>	<u>\$ Change</u>	<u>% Change</u>
Other post-employment benefits	\$ 2,472,022	\$ 3,140,018	\$ (667,996)	(21.3)
Lease liabilities	<u>175,774</u>	<u>233,347</u>	<u>(57,573)</u>	(24.7)
Total long-term liabilities	<u>\$ 2,647,796</u>	<u>\$ 3,373,365</u>	<u>\$ (725,569)</u>	(21.5)

FACTORS BEARING ON THE FUTURE OF THE VILLAGE

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

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

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Incorporated Village of Brookville
Village Hall
18 Horse Hill Road
Brookville, NY 11545
(516) 626-0973

INCORPORATED VILLAGE OF BROOKVILLE
STATEMENT OF NET POSITION
MAY 31, 2025

ASSETS

Cash and cash equivalents	\$ 2,933,113
Restricted cash	5,079,347
Investments	902,128
Receivables:	
Taxes receivable, net	56,170
Due from other governments	63,183
Other receivables	47,973
Prepaid expenses	52,807
Non-depreciable capital assets	435,837
Depreciable capital assets, net	<u>4,976,933</u>
 Total assets	 <u>14,547,491</u>

DEFERRED OUTFLOWS OF RESOURCES

OPEB related	302,056
Pension related	<u>220,488</u>
 Total deferred outflows of resources	 <u>522,544</u>

LIABILITIES

Current liabilities:	
Payables:	
Accounts payable	566,032
Accrued liabilities	20,947
Due to employees' retirement system	24,931
Unearned revenues	136,742
Noncurrent liabilities:	
Long-term liabilities, due within one year:	
Lease liabilities	59,792
Long-term liabilities, due after one year:	
Net pension liability - proportionate share	263,063
Total OPEB liability	2,472,022
Lease liabilities	<u>115,982</u>
 Total liabilities	 <u>3,659,511</u>

DEFERRED INFLOWS OF RESOURCES

OPEB related	1,206,652
Pension related	21,434
Property taxes	<u>56,170</u>
 Total deferred inflows of resources	 <u>1,284,256</u>

NET POSITION

Net investment in capital assets	5,236,996
Restricted:	
Capital improvements	5,261,799
Unrestricted	<u>(372,527)</u>
 Total net position	 <u><u>\$ 10,126,268</u></u>

The accompanying notes are an integral
part of this statement.

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

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges For Services	Operating Grants	Primary Government
Functions and programs:				
Primary government -				
General government	\$ 1,073,731	\$ -	\$ -	\$ (1,073,731)
Public safety	2,870,816	-	-	(2,870,816)
Transportation	507,279	-	-	(507,279)
Culture and recreation	33,335	124,593	-	91,258
Home and community services	454,285	833,814	821,058	1,200,587
Debt service - interest	8,707	-	-	(8,707)
Total primary government	<u>\$ 4,948,153</u>	<u>\$ 958,407</u>	<u>\$ 821,058</u>	<u>(3,168,688)</u>
General revenues:				
Taxes				3,385,139
Other tax items				167,709
Non-property tax items				181,887
Use of money and property				409,421
Sale of property and compensation for loss				15,407
Federal aid				233,000
Miscellaneous				81,516
Total general revenues				<u>4,474,079</u>
Change in net position				1,305,391
Total net position, beginning of the year				<u>8,820,877</u>
Total net position, end of year				<u>\$ 10,126,268</u>

The accompanying notes are an integral
part of this statement.

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

	Major Funds		Non-Major Fund	Total Governmental Funds
	General	Capital Projects	Special Revenue	
ASSETS				
Cash and cash equivalents	\$ 2,933,113	\$ -	\$ -	\$ 2,933,113
Restricted cash	-	5,037,799	41,548	5,079,347
Investments	902,128	-	-	902,128
Receivables:				
Taxes receivable, net	56,170	-	-	56,170
Due from other governments	63,183	-	-	63,183
Due from other funds	-	233,000	-	233,000
Other receivables	47,973	-	-	47,973
Prepaid expenses	52,807	-	-	52,807
Total assets	<u>\$ 4,055,374</u>	<u>\$ 5,270,799</u>	<u>\$ 41,548</u>	<u>\$ 9,367,721</u>
LIABILITIES				
Payables:				
Accounts payable	\$ 557,032	\$ 9,000	\$ -	\$ 566,032
Accrued liabilities	20,947	-	-	20,947
Due to employees' retirement system	24,931	-	-	24,931
Due to other funds	233,000	-	-	233,000
Unearned revenues	136,742	-	-	136,742
Total liabilities	<u>972,652</u>	<u>9,000</u>	<u>-</u>	<u>981,652</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>56,170</u>	<u>-</u>	<u>-</u>	<u>56,170</u>
Total deferred inflows of resources	<u>56,170</u>	<u>-</u>	<u>-</u>	<u>56,170</u>
FUND BALANCE				
Fund balance:				
Nonspendable	52,807	-	-	52,807
Restricted	-	5,261,799	-	5,261,799
Assigned	1,273,679	-	41,548	1,315,227
Unassigned	1,700,066	-	-	1,700,066
Total fund balance	<u>3,026,552</u>	<u>5,261,799</u>	<u>41,548</u>	<u>8,329,899</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,055,374</u>	<u>\$ 5,270,799</u>	<u>\$ 41,548</u>	<u>\$ 9,367,721</u>

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

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

Total Fund Balance - Governmental Funds \$ 8,329,899

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Capital assets less accumulated depreciation are included in the Statement of Net Position:

Capital assets:			
Non-depreciable		\$ 435,837	
Depreciable		14,614,546	
Accumulated depreciation		<u>(9,637,613)</u>	5,412,770

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position:

Lease liabilities, net	(175,774)
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Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the fund financial statements.

Deferred outflows of resources - OPEB related	302,056		
Deferred inflows of resources - OPEB related	(1,206,652)		
Other post-employment benefits	<u>(2,472,022)</u>		(3,376,618)

Proportionate share of long-term assets and liabilities, deferred outflows of resources and deferred inflows of resources associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the governmental funds:

Net pension liability - proportionate share	(263,063)		
Deferred outflows of resources - pension related	220,488		
Deferred inflows of resources - pension related	<u>(21,434)</u>		(64,009)

Net Position - Governmental Activities	<u>\$ 10,126,268</u>
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The accompanying notes are an integral
part of this statement.

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

	Major Funds		Non-Major Fund	Total Governmental Funds
	General	Capital Projects	Special Revenue	
REVENUES				
Real property taxes	\$ 3,385,139	\$ -	\$ -	\$ 3,385,139
Other tax items	167,709	-	-	167,709
Non-property tax items	181,887	-	-	181,887
Licenses and permits	861,266	-	-	861,266
Departmental income	41,000	-	-	41,000
Fines and forfeitures	56,141	-	-	56,141
Use of money and property	198,691	209,539	1,191	409,421
State and local aid	248,780	572,278	-	821,058
Sale of property and compensation for loss	15,407	-	-	15,407
Federal aid	233,000	-	-	233,000
Miscellaneous	81,516	-	-	81,516
Total revenues	5,470,536	781,817	1,191	6,253,544
EXPENDITURES				
General government	999,977	73,191	-	1,073,168
Public safety	2,855,060	-	-	2,855,060
Transportation	315,901	409,417	-	725,318
Culture and recreation	33,335	-	-	33,335
Home and community services	274,097	-	-	274,097
Employee benefits	342,666	-	-	342,666
Debt service -				
Principal	57,573	-	-	57,573
Interest	8,707	-	-	8,707
Total expenditures	4,887,316	482,608	-	5,369,924
Excess of revenues over expenditures	583,220	299,209	1,191	883,620
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	812,297	-	812,297
Interfund transfers out	(812,297)	-	-	(812,297)
Total other financing sources (uses)	(812,297)	812,297	-	-
Changes in fund balance	(229,077)	1,111,506	1,191	883,620
Fund balance, beginning of year	3,255,629	4,150,293	40,357	7,446,279
Fund balance, end of year	\$ 3,026,552	\$ 5,261,799	\$ 41,548	\$ 8,329,899

The accompanying notes are an integral
part of this statement.

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

Net change in fund balance - governmental funds	\$	883,620
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation expense in the current period is:

Capital outlay	\$	731,006	
Depreciation expense		<u>(519,118)</u>	211,888

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Repayment of lease principal		57,573
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Changes in the total OPEB liability, deferred inflows and deferred outflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Other post-employment benefits		667,996	
Deferred outflows of resources		(221,230)	
Deferred inflows of resources		<u>(345,134)</u>	101,632

Changes in the proportionate share of net pension liability, deferred inflows and deferred outflows of resources reported in the Statement of Activities does not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system		(20,839)	
Deferred outflows of resources		(47,289)	
Deferred inflows of resources		<u>118,806</u>	50,678

Net change in net position - governmental activities	\$	<u>1,305,391</u>
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The accompanying notes are an integral
part of this statement.

**INCORPORATED VILLAGE OF BROOKVILLE
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
MAY 31, 2025**

	Custodial Funds
ASSETS	
Cash	\$ 297,800
Restricted cash	8,005
Total assets	305,805
LIABILITIES	
Accounts payable	297,800
Total liabilities	297,800
NET POSITION	
Restricted	8,005
Total net position	\$ 8,005

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED MAY 31, 2025**

ADDITIONS	
Fines collected	\$ 103,253
Total additions	103,253
DEDUCTIONS	
Payments to other governments	105,121
Total deductions	105,121
Change in net position	(1,868)
Net position, beginning of year	9,873
Net position, end of year	\$ 8,005

The accompanying notes are an integral
part of these statements.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025**

1. Summary of significant accounting policies

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

A. Financial reporting entity

The Incorporated Village of Brookville which was incorporated in 1931, is governed by its charter, Village local 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 the chief fiscal officer.

The Village provides a full range of municipal services including police and fire protection, street maintenance, snow removal and general administrative services.

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

Police protection is provided jointly for the Incorporated Villages of Brookville, Matinecock, Cove Neck and Mill Neck. Such activity is excluded from these financial statements. See Note 10 for additional disclosures regarding this joint activity.

B. Basis of presentation

1. Village-wide financial statements

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

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

2. Fund financial statements

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

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

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

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

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

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

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

Custodial Funds - used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent. The Village accounts for the Justice Court as a custodial fund.

C. Measurement focus and basis of accounting

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

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

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

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

D. Property taxes

Taxes are levied based upon the taxable value of all real property located within the Village. Taxes are recorded as a receivable on June 1st, and are payable in full without penalty to June 30th, each year. Thereafter, penalties and interest are imposed pursuant to the Real Property Tax Law. After certification and return of the tax warrant to the Board of Trustees of the uncollected tax items, an annual sale of the tax liens is held pursuant to the provisions of the Real Property Tax Law. Tax Sale Certificates are issued for all uncollected property tax liens.

E. Interfund transactions

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

1. Interfund revenues

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

2. Transfers

Interfund transfers represent payments to/from other funds for reimbursement of costs paid by one fund for another fund or funding for capital projects.

F. Cash and investments

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

New York State law governs the Village's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

G. Receivables

Receivables include amounts due from New York State and other governments or entities for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures are incurred. All receivables are deemed collectable; therefore no allowance account has been established.

H. Prepaid items

Prepaid items represent payments made by the Village for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both the Village-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

I. Restricted assets

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

J. Capital assets

Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 500	Straight line	40 years
Improvements, other than buildings	\$ 500	Straight line	15-30 years
Infrastructure	\$ 500	Straight line	20-40 years
Vehicles, furniture, machinery and equipment	\$ 500	Straight line	5-20 years

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

K. Right-to-use assets

Right-to-use lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease, or if not readily determinable, the Village's estimated incremental borrowing rate. The right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which right-to-use lease asset acquisitions are added to the right-to-use lease asset accounts), amortization methods, and estimated useful lives of right-to-use lease assets reported in the Village-wide financial statements follow the same thresholds as noted for capital assets.

L. Deferred outflows of resources

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

M. Deferred inflows of resource

Deferred inflows of resources are defined as an acquisition of net position by the government that is applicable to future periods. Deferred inflows of resources are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period.

N. Long-term obligations

Liabilities for long-term obligations can consist of general obligation bonds payable, compensated absences, judgments and claims payable, unfunded accrued pension liability and other post-employment benefits, which are recognized in the Village-wide financial statements.

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

O. Post-employment benefits

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

During the year ended May 31, 2025, the Village has not made any contributions, as there are no retirees.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

P. Estimates

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

Q. Leases

The Village is a lessee for noncancellable leases for equipment. The Village recognizes a lease liability and an intangible right-to-use lease asset in the Village-wide financial statements.

At the commencement of the lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

1. The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.
2. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

R. Net position

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

1. Net investment in capital assets: consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
2. Restricted: consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted: is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund financial statements

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

1. Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Village has a nonspendable fund balance of \$52,807 as of May 31, 2025.
2. Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
3. Committed - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, i.e. the Board. The Village has no committed fund balances as of May 31, 2025.
4. Assigned - includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance, except for tax stabilization arrangements. The intent can be expressed by the Board or through the Board delegating this responsibility to the Village administration through the budgetary process.
5. Unassigned - includes all other General Fund fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the Village.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

	General	Capital Projects	Special Revenue	Total Governmental Funds
Nonspendable:				
Prepaid expenses	\$ 52,807	\$ -	\$ -	\$ 52,807
Total nonspendable	52,807	-	-	52,807
Restricted:				
Capital related	-	5,261,799	-	5,261,799
Total restricted	-	5,261,799	-	5,261,799
Assigned:				
Designated for special purpose	-	-	41,548	41,548
Designated for subsequent year's expenditures	1,273,679	-	-	1,273,679
Total assigned	1,273,679	-	41,548	1,315,227
Unassigned	1,700,066	-	-	1,700,066
	<u>\$ 3,026,552</u>	<u>\$ 5,261,799</u>	<u>\$ 41,548</u>	<u>\$ 8,329,899</u>

Order of use of fund balance

The Village's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either restricted or assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

S. Insurance

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

2. Explanation of certain differences between fund financial statements and Village-wide financial statements

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

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

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

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

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

1. Long-term revenue/expense differences

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

2. Capital related differences

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

3. Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund financial statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position. In addition, differences also arise from the other post-employment benefit obligation representing the accumulated difference between the actuarial required contribution and the actual contribution recorded in the fund financial statements.

4. Pension and Other Postemployment Benefits differences

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

3. Stewardship, compliance and accountability

A. Budgetary data

1. Budget policies

- a. No later than March 31, the Village Clerk/Treasurer submits a tentative budget to the Village Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than April 15, the Village Board of Trustees adopts the budget.
- c. All modifications of the budget must be approved by the Village Board of Trustees.

2. Budget basis of accounting

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

4. Cash and cash equivalents - custodial credit, concentration of credit, interest rate and foreign currency risks

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

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Village's name	<u>\$ 8,389,006</u>
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Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$5,079,347 within the governmental funds.

Investment and deposit policy

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. The Village Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

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

- Level 1 - U.S. Government fixed income of \$902,128 fluctuate in value in response to changes in interest rates and credit risk.

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

Interest-rate risk

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

	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
U.S. Government fixed income	\$ 902,128	\$ 902,128

Credit risk

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

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

The quality of ratings of investments are as follows:

Quality rating	Balance Fair Value	Percentage of portfolio
U.S. Government fixed income investments*	\$ 902,128	100.00%

* These obligations are backed in full faith and credit by the United States.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Custodial credit risk

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

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

5. Interfund balances and activity

Interfund transfer balances as of May 31, 2025 represent transfers from the General Fund to the Capital Projects Fund. Balances at year end are stated as follows:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ -	\$ 233,000	\$ -	\$ 812,297
Capital Projects Fund	233,000	-	812,297	-
Totals	<u>\$ 233,000</u>	<u>\$ 233,000</u>	<u>\$ 812,297</u>	<u>\$ 812,297</u>

6. Capital assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 18,001	\$ -	\$ -	\$ 18,001
Construction-in-progress	140,120	302,686	(24,970)	417,836
Total nondepreciable capital assets	<u>158,121</u>	<u>302,686</u>	<u>(24,970)</u>	<u>435,837</u>
Capital assets that are depreciated:				
Buildings	277,550	-	-	277,550
Improvements, other than buildings	138,651	-	-	138,651
Infrastructure	12,676,663	428,320	24,970	13,129,953
Vehicles, furniture, machinery and equipment	775,205	-	-	775,205
Right-to-use lease assets	293,187	-	-	293,187
Total depreciable capital assets	<u>14,161,256</u>	<u>428,320</u>	<u>24,970</u>	<u>14,614,546</u>
Less accumulated depreciation:				
Buildings	89,568	11,044	-	100,612
Improvements, other than buildings	98,505	6,933	-	105,438
Infrastructure	8,404,167	394,197	-	8,798,364
Vehicles, furniture, machinery and equipment	470,068	45,285	-	515,353
Right-to-use lease assets	56,187	61,659	-	117,846
Total accumulated depreciation	<u>9,118,495</u>	<u>519,118</u>	<u>-</u>	<u>9,637,613</u>
Total capital assets, net	<u>\$ 5,200,882</u>	<u>\$ 211,888</u>	<u>\$ -</u>	<u>\$ 5,412,770</u>

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 235,717
Public safety	11,528
Transportation	140,030
Home and community services	131,843
	<u>\$ 519,118</u>

7. Long-term liabilities

The following is a summary of the change in the long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Other post-employment benefits	\$ 3,140,018	\$ (459,063)	\$ 208,933	\$ 2,472,022	\$ -
Lease liabilities	233,347	-	57,573	175,774	59,792
Total long-term liabilities	<u>\$ 3,373,365</u>	<u>\$ (459,063)</u>	<u>\$ 266,506</u>	<u>\$ 2,647,796</u>	<u>\$ 59,792</u>

Lease liabilities - The Village has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments.

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

Year Ended <u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 59,792	\$ 4,598	\$ 64,390
2027	57,865	2,275	60,140
2028	55,749	140	55,889
2029	2,368	34	2,402
	<u>\$ 175,774</u>	<u>\$ 7,047</u>	<u>\$ 182,821</u>

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

8. Pension plans

Plan description

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

Benefits provided

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

Tiers 1 and 2

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

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

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Tiers 3, 4, and 5

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

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

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

Tier 6

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

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

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

Ordinary Disability Benefits

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

Accidental Disability Benefits

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 135,890
2024	108,576
2023	90,316

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

At May 31, 2025, the Village reported a liability of \$263,063 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. Update procedures were used to roll forward the pension liability to March 31, 2025. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

Actuarial valuation date	April 1, 2024
Net pension liability	\$ (263,063)
Village's portion of the Plan's total net pension asset	0.00153%

For the year ended May 31, 2025, the Village recognized pension expense of \$89,798. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected experience and actual experience	\$ 65,294	\$ 3,080
Changes of assumptions	11,032	-
Net difference between projected and actual earnings on pension plan investments	20,639	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	98,592	18,354
Employer contributions subsequent to the measurement date	<u>24,931</u>	<u>-</u>
Total	<u><u>\$ 220,488</u></u>	<u><u>\$ 21,434</u></u>

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

For the year ended May 31,:

2026	\$	75,967
2027		90,614
2028		(5,020)
2029		12,562

Actuarial assumptions

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

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

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

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

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

	<u>Target allocation</u>	<u>Long-term rate</u>
Measurement date	March 31, 2025	March 31, 2025
Asset type		
Cash	1.00%	0.25%
Credit	4.00%	5.40%
Domestic equity	25.00%	3.54%
Fixed income	22.00%	2.00%
International equity	14.00%	6.57%
Opportunistic portfolio	3.00%	5.25%
Private equity	15.00%	7.25%
Real assets	4.00%	5.55%
Real estate equities	12.00%	4.95%
	<u>100.00%</u>	

Discount rate

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

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

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

	<u>1% Decrease (4.90%)</u>	<u>Current assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (761,337)	\$ (263,063)	\$ 152,996

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Pension plan fiduciary net position

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

	(Dollars in Thousands)
Valuation date	<u>April 1, 2024</u>
Employers' total pension asset (liability)	\$ (247,600,239)
Plan net position	<u>230,454,512</u>
Employers' net pension asset (liability)	<u>\$ (17,145,727)</u>
Ratio of plan net position to the employers' total pension asset	93.08%

9. Post-employment benefits

A. General information about the OPEB plan

Plan description

The Village's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Village. The plan is a single employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board of Trustees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided

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

Employees covered by benefit terms

As of May 31, 2025, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive participants currently receiving benefit payments	-
Inactive participants entitled to but not yet receiving benefit payments	-
Active participants	<u>8</u>
Total	<u><u>8</u></u>

B. Total OPEB liability

The Village's total OPEB liability of \$2,472,022 was measured as of May 31, 2025 and was determined by an actuarial valuation as of May 31, 2025.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

Actuarial assumptions and other inputs

The total OPEB liability in the May 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00% average, including inflation
Discount rate	4.81%
Healthcare cost trend rates	7.0% through 2025, decreasing .5% per year to an ultimate rate of 4.5% in 2028
Retirees' share of benefit-related costs	Rates based on percentage of premiums for retirees

The discount rate was based on the May 31, 2025 S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RP-2006 Healthy Male and Female Tables projected to the valuation date with Scale MP-2022.

C. Changes in the Total OPEB liability

Balance as of May 31, 2024	<u>\$ 3,140,018</u>
Changes for the year -	
Service cost	58,593
Interest	138,161
Differences between expected and actual experience	(655,817)
Change in assumptions or other inputs	<u>(208,933)</u>
Net changes	<u>(667,996)</u>
Balance as of May 31, 2025	<u><u>\$ 2,472,022</u></u>

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

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

	1% Decrease <u>(3.81%)</u>	Current assumption <u>(4.81%)</u>	1% Increase <u>(5.81%)</u>
Total OPEB liability as of May 31, 2025	\$ 2,854,759	\$ 2,472,022	\$ 2,156,826

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

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

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

	1% Decrease (6.00% decreasing to 3.50%)	Current assumption (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Total OPEB liability as of May 31, 2025	\$ 2,134,930	\$ 2,472,022	\$ 2,883,252

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

For the year ended May 31, 2025, the Village recognized OPEB income of \$101,632. At May 31, 2025, the Village reported deferred inflows of resources related to OPEB from differences between expected and actual experience and changes of assumptions of \$1,206,652 and deferred outflows of resources related to OPEB from differences between expected and actual experience and changes of assumptions of \$302,056.

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

<u>For the year ended May 31,:</u>	
2026	\$ (411,272)
2027	(170,436)
2028	(172,116)
2029	(150,772)

10. Commitments and contingencies

A. Risk management and litigation

The Village has adopted GASB Standards for Accounting and Financial Reporting for Risk Financing and Related Insurance Issues (codified in 2012). The Standards establishes standards for risk financing and insurance-related activities. Liabilities for unpaid claims are accrued when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

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

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

B. Appropriated for subsequent year's budget

The amount of \$1,273,679 has been assigned as the amount to be appropriated to reduce taxes for the year ending May 31, 2026.

C. Government grants

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

D. Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years beginning in 2012-2013 through at least June 15, 2022, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2% or the rate of inflation (but not less than 1 percent), whichever is less, with some exceptions. The New York State Comptroller recently set the allowable levy growth factor for local governments for fiscal years beginning June 1, 2023, at 1.02% (before exemptions). Local governments can exceed the tax levy limit by a 60% vote of the governing body, or by local law.

E. Related party considerations

The Village occupies space in the building at 18 Horse Hill Road, Brookville, NY, which is owned by the Administrator and Building Superintendent. The Village leases the space under an annual operating lease that expires in 2028. The rental payments for the fiscal year ended May 31, 2025 was \$55,000.

F. Joint activity contract

The Incorporated Village of Brookville established a Police Department in 2021 and agreed to furnish police protection for itself and the Incorporated Villages of Matinecock, Cove Neck and Mill Neck. The new Four Village Joint Police Protection Contract has been ratified by all 4 participating villages. The new contract is in effect for the period June 1, 2022 to May 31, 2027.

The transactions of the Joint Police Activity Fund are excluded from the financial statements of all participating municipalities. Separate financial statements are issued for the joint activity. Significant provisions of the contracts are as follows:

1. The governing body is the Board of Police Commissioners, which is comprised of four members, one from each participating municipality.
2. The Joint Board of Police Commissioners shall prepare and submit an annual budget to the Mayors of all participating municipalities by March 1 of each year. Each village shall incorporate such budget, without change, in its tentative budget for filing, budget hearing and adoption, according to Village law.
3. The Treasurer of Brookville shall maintain separate bank accounts to record activity of the Joint Police Activity Fund.

**INCORPORATED VILLAGE OF BROOKVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MAY 31, 2025**

4. The costs of operation of the Police Department shall be shared in the ratio of their respective assessed valuations as they appear on the assessment rolls of Nassau County. The Village's share of Police costs amounted to \$2,003,563 for the fiscal year ended May 31, 2025.
5. Accident liability insurance shall be carried on employees of the Police Department.

G. Post agreement obligations

Pursuant to a six Village Joint Police Protection Agreement, dated March 5, 2017, the Old Brookville Police Department ("OBPD") provided joint police protection services to the residents of the Villages of Brookville, Cove Neck, Matinecock, Mill Neck, Old Brookville and Upper Brookville. The agreement expired on May 31, 2022, and Old Brookville elected not to renew its participation in a successor agreement. Upon the termination of the agreement and pursuant to its terms, each of the six Villages remain obligated to its respective pro-rate share for certain post agreement obligations, namely lifetime health insurance benefits for retired police officers and staff who retired prior to June 1, 2022, as well as Medicare Part B reimbursements. For the year ended May 31, 2025, the total billed amount to the Village was \$362,702. The Village's anticipated cost for the year ending May 31, 2026 is estimated to be \$300,000, which has been provided for in the 2026 budget.

11. Future changes in accounting standards

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

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective Fiscal Year</u>
Statement No. 102	Certain Risk Disclosures	May 31, 2026
Statement No. 103	Financial Reporting Model Improvements	May 31, 2026

12. Subsequent events

The Village has evaluated subsequent events occurring after the Statement of Net Position through the date of September 19, 2025 which is the date the financial statements were available to be issued, noting no matter requiring financial statement disclosure.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Real property taxes	\$ 3,411,820	\$ 3,385,139	\$ (26,681)
Other tax items	159,841	167,709	7,868
Non-property tax items	176,000	181,887	5,887
Licenses and permits	835,000	861,266	26,266
Departmental income	64,000	41,000	(23,000)
Fines and forfeitures	40,000	56,141	16,141
Use of money and property	185,000	198,691	13,691
State and local aid	300,500	248,780	(51,720)
Federal aid	-	233,000	233,000
Sale of property and compensation for loss	-	15,407	15,407
Miscellaneous	53,297	81,516	28,219
	<u>5,225,458</u>	<u>5,470,536</u>	<u>245,078</u>
Total revenues			
EXPENDITURES			
General government	925,706	999,977	(74,271)
Public safety	2,955,013	2,855,060	99,953
Transportation	340,447	315,901	24,546
Public health	150	-	150
Culture and recreation	24,000	33,335	(9,335)
Home and community services	291,770	274,097	17,673
Employee benefits	361,200	342,666	18,534
Debt service -			
Principal	-	57,573	(57,573)
Interest	-	8,707	(8,707)
	<u>4,898,286</u>	<u>4,887,316</u>	<u>10,970</u>
Total expenditures			
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	485,125	-	N/A
Interfund transfers out	(812,297)	(812,297)	-
	<u>(327,172)</u>	<u>(812,297)</u>	<u>-</u>
Total other financing sources (uses)			
Change in fund balance	<u>\$ -</u>	(229,077)	<u>\$ 256,048</u>
Fund balance, beginning of year		<u>3,255,629</u>	
Fund balance, end of year		<u>\$ 3,026,552</u>	

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

Measurement date	May 31, 2025	May 31, 2024	May 31, 2023	May 31, 2022	May 31, 2021	May 31, 2020	May 31, 2019
Total OPEB liability:							
Service cost	\$ 58,593	\$ 54,887	\$ 51,893	\$ 72,301	\$ 62,778	\$ 60,117	\$ 64,852
Interest	138,161	120,076	103,763	59,257	79,432	87,213	89,823
Differences between expected and actual experience in the measurement of the total OPEB liability	(655,817)	209,627	186,774	78,143	36,140	(199,718)	(240,252)
Changes in assumptions or other inputs	<u>(208,933)</u>	<u>(76,554)</u>	<u>(314,849)</u>	<u>(1,132,176)</u>	<u>528,299</u>	<u>213,173</u>	<u>-</u>
Net change in total OPEB liability	(667,996)	308,036	27,581	(922,475)	706,649	160,785	(85,577)
Total OPEB liability - beginning of year	<u>3,140,018</u>	<u>2,831,982</u>	<u>2,804,401</u>	<u>3,726,876</u>	<u>3,020,227</u>	<u>2,859,442</u>	<u>2,945,019</u>
Total OPEB liability - end of year	<u>\$ 2,472,022</u>	<u>\$ 3,140,018</u>	<u>\$ 2,831,982</u>	<u>\$ 2,804,401</u>	<u>\$ 3,726,876</u>	<u>\$ 3,020,227</u>	<u>\$ 2,859,442</u>
Covered payroll	\$ 807,619	\$ 853,126	\$ 809,220	\$ 900,545	\$ 747,668	\$ 715,757	\$ 696,741
Total OPEB liability as a percentage of covered payroll	306.09%	368.06%	349.96%	311.41%	498.47%	421.96%	410.40%
Discount rate	4.81%	4.40%	4.24%	3.70%	1.59%	2.63%	3.05%

Note to Required Supplementary Information

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

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

INCORPORATED VILLAGE OF BROOKVILLE
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) - NYSERS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Village's proportionate share of the net pension asset (liability)	0.00153%	0.00165%	0.00175%	0.00179%	0.00183%	0.00202%	0.00218%	0.00478%	0.00228%	0.00237%
Village's proportionate share of the net pension asset (liability)	\$ (263)	\$ (242)	\$ (377)	\$ 146	\$ (2)	\$ (536)	\$ (154)	\$ (76)	\$ (214)	\$ (381)
Village's covered payroll	\$ 803	\$ 773	\$ 731	\$ 697	\$ 677	\$ 649	\$ 632	\$ 622	\$ 624	\$ 571
Village's proportionate share of the net pension asset (liability) as a percentage of covered payroll	32.76%	31.34%	51.55%	20.98%	0.27%	82.54%	24.37%	12.22%	34.29%	66.73%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.08%	93.88%	90.78%	103.65%	86.39%	96.27%	98.24%	94.70%	90.68%	97.15%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

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

**INCORPORATED VILLAGE OF BROOKVILLE
SCHEDULE OF VILLAGE PENSION CONTRIBUTIONS - NYSERS
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 135,890	\$ 108,576	\$ 90,316	\$ 123,197	\$ 104,300	\$ 99,666	\$ 98,147	\$ 99,123	\$ 90,819	\$ 111,953
Contributions in relation to the contractually required contribution	<u>135,890</u>	<u>108,576</u>	<u>90,316</u>	<u>123,197</u>	<u>104,300</u>	<u>99,666</u>	<u>98,147</u>	<u>99,123</u>	<u>90,819</u>	<u>111,953</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 807,619	\$ 778,434	\$ 737,365	\$ 700,248	\$ 681,468	\$ 652,278	\$ 634,948	\$ 623,369	\$ 609,630	\$ 572,350
Contributions as a percentage of covered-employee payroll	16.83%	13.95%	12.25%	17.59%	15.31%	15.28%	15.46%	15.90%	14.90%	19.56%



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

To the Board of Trustees of the
Incorporated Village of Brookville:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the fiduciary funds and the remaining fund information of the Incorporated Village of Brookville (the "Village"), as of and for the year ended May 31, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 19, 2025.

Internal Control Over Financial Reporting

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

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

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

NawrockiSmith

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hauppauge, New York
September 19, 2025

A handwritten signature in dark ink, reading "Nawrocki Smith LLP". The signature is written in a cursive, flowing style.

APPENDIX C

FORM OF BOND COUNSEL OPINION

HAWKINS

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

_____, 2026

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Brookville (the “Village”), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$2,280,000 Public Improvement Serial Bonds-2026 (the “Bonds”), dated and delivered on the date hereof.

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

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

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

retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of February 18, 2026.

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

“Securities” shall mean the Issuer’s **\$2,280,000 Public Improvement Serial Bonds-2026**, dated October 14, 2026, maturing in various principal amounts on October 1 in each of the years 2027 to 2051, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2027, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2027, 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; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or

government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation, as defined in Rule 15c2-12, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally

consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE VILLAGE OF BROOKVILLE," "DEMOGRAPHIC AND STATISTICAL INFORMATION," "INDEBTEDNESS OF THE VILLAGE," "FINANCES OF THE VILLAGE," "TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

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

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

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

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

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

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

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

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

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

VILLAGE OF BROOKVILLE

By _____
Village Treasurer and Chief Fiscal Officer