

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b) (3) of the Code.

\$1,550,000

VILLAGE OF DUNDEE

YATES COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$1,550,000 Bond Anticipation Notes, 2025 (Renewals) (Referred to herein as the "Notes")

Dated: July 9, 2025

Due: July 9, 2026
(Callable on or after October 9, 2025)

The Notes are general obligations of the Village of Dundee, Yates County, New York (the "Village") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes shall be subject to optional redemption at par plus interest accrued to the date of redemption on or after October 9, 2025, upon 20 days' written notice. (See "THE NOTES – Optional Redemption" herein.) Interest on the Notes will be calculated on a 30-day month and a 360-day year basis and will be payable at maturity.

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes 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 for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, of Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or at such place as may be agreed upon with the purchaser(s), on or about July 9, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on June 25, 2025 by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 20, 2025

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS RELATED TO THE NOTES AS DEFINED IN THE RULE. SEE "APPENDIX -C, MATERIAL EVENT NOTICES" HEREIN.

VILLAGE OF DUNDEE

YATES COUNTY, NEW YORK

VILLAGE BOARD

FREDERICK CRATSLEY JR.

Mayor

TRUSTEES

JUDY DUQUETTE

JOHN FREDERICK

WARREN SMITH

GREGOR WRIGHT

* * * * *

CHRISTINE SUTHERLAND

Village Treasurer/Clerk

EDWARD BROCKMAN

Village Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

No dealer, broker, salesman or other person has been authorized by the Village of Dundee 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 of Dundee. 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 Notes 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 of Dundee from sources which are believed to be reliable but 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 of Dundee since the date thereof.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
Phone: (315) 752-0051
www.fiscaladvisors.com

**OFFICIAL STATEMENT
OF THE
VILLAGE OF DUNDEE
YATES COUNTY, NEW YORK
RELATING TO**

\$1,550,000 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Village of Dundee, Yates County, New York (the “Village,” “County,” and “State,” respectively), in connection with the sale by the Village of its aggregate principal amount of \$1,550,000 Bond Anticipation Notes, 2025 (Renewals) (referred to herein as the “Notes”).

The factors affecting the Village's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Village's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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

THE NOTES

Description of the Notes

The Notes are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes are dated July 9, 2025 and will mature on July 9, 2026, with the option of prior redemption as described herein under “Optional Redemption”. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the Village Clerk, in Dundee, New York.

Optional Redemption

The Notes shall be subject to optional redemption at par plus interest accrued to the date of redemption on or after October 9, 2025 upon 20 days’ written notice.

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Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State including among others, the Village Law, the Local Finance Law and bond resolutions adopted by the Board of Trustees of the Village on February 14, 2023 authorizing the issuance of up to \$2,576,000 bond anticipation notes and serial bonds to finance the construction of improvements and the acquisition of a new water tank for the Village.

The proceeds of the Notes will redeem and renew in full the outstanding \$1,550,000 bond anticipation notes maturing on July 10, 2025 for the aforementioned purpose.

The Notes are expected to be redeemed at maturity (or earlier redemption) with notes issued through USDA-RD and a \$640,000 Congressional Grant.

NATURE OF OBLIGATION

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

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, ensuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, 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 New York 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 not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Notes, if book-entry-only format is chosen by the successful bidder(s). The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. Fully-registered note certificates will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is 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 110 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts 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 or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment, principal and interest to 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 Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The 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.

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

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OR ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES, (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE VILLAGE MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes under Certain Circumstances

DTC may discontinue providing its services with respect to the Notes at any time by giving 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 system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in denominations of \$5,000 or integral multiples thereof. Interest on the Notes will remain payable at maturity. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State to be named as fiscal agent by the Village. The Notes shall remain subject to optional redemption at par plus interest accrued to the date of redemption on or after October 9, 2025 upon 20 days’ written notice.

THE VILLAGE

General Information

The Village of Dundee is in the Town of Starkey, County of Yates. The Village has approximately 660 homes with a population of 2,003. The Village of Dundee is in the heart of the Finger Lakes between Seneca Lake and Keuka Lake.

Source: Village officials.

Population Trends

	<u>Village of Dundee</u>	<u>Yates County</u>	<u>New York State</u>
2000 Census	1,688	24,621	18,976,457
2010 Census	1,721	25,348	19,378,102
2020 Census	1,718	24,774	20,201,249
2023 Census ⁽¹⁾	2,003	24,637	19,872,319

⁽¹⁾ U.S. Census Bureau, 2019-2023 American Community Survey data.

Larger Employers

Larger employers within or nearby the Village include the following:

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Dundee Central School	Public Education	200
4022 Technology Park Blvd LLC	Warehousing & Packaging	30
ACP Contracting	Construction	20
Dollar General	Retail	10
Family Dollar	Retail	10

Source: Village officials information based on publicly reported sources.

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Selected Wealth and Income Indicators

Per capita income statistics are available for the Village, County and State. Listed below are select figures from the 2006-2010, 2016-2020 and 2019-2023 U.S. Census American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Village of:						
Dundee	\$ 16,873	\$ 27,438	\$ 21,801	\$ 41,917	\$ 77,013	\$ 68,664
County of:						
Yates	23,555	29,540	34,262	56,538	75,594	82,228
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are not available for the Village as such. The smallest area for which such statistics are available (which includes the Village) is the County of Yates. The information set forth below with respect to the County 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 Official Statement that the County or State is necessarily representative of the Village, or vice versa.

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Yates County	3.9%	3.7%	6.8%	4.1%	3.1%	3.1%	3.3%
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Yates County	4.5%	4.6%	3.8%	2.8%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

Note: Certain unemployment rates for May and June 2025 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of Village Government

The chief executive officer of the Village is the Mayor, who is elected to a four-year term, and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor, there are four Trustees who are elected to four-year terms. Their terms are staggered so that every second year, two Trustees run for election. The Mayor and Trustees are elected at large.

The Village Mayor is the chief administrative and executive officer of the Village. The Village Clerk is responsible for maintaining records.

Financial Organization

The Village Treasurer is the Chief Fiscal Officer and the accounting officer. The Treasurer is responsible for collecting taxes and assessments. It is the Village Treasurer's duty to receive, disburse and account for all financial transactions. The Village Treasurer is the Budget Officer for the Village.

Budgetary Procedures

The Budget Officer prepares the proposed budget each year, pursuant to the Laws of the State of New York, and a public hearing is held thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Village Board of Trustees as its final budget for the coming fiscal year. The budget is not subject to referendum.

Investment Policy

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

Consistent with the above statutory limitations, it is the Village's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the Village may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The Village receives financial assistance from the State. In its budget for the Fiscal Year Ending May 31, 2026, approximately 6.6% of the revenues of the Village are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, as is the case this year, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have an effect, although not substantial, upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Employees

The number of persons employed by the Village represented by collective bargaining agreements, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Union</u>	<u>Approximate Number of Employees</u>	<u>Contract Expiration Date</u>
International Union of Operating Engineers	4	December 31, 2026

Source: Village officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer 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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

On April 1, 2024 new law improved the pension benefits of NYSLRS Tier 6 members by calculating final average earnings (FAE) on the average of the member's three highest consecutive years of earnings, the same as NYSLRS members in Tiers 3, 4 and 5.

The Village's payments to ERS since the 2020 fiscal year have been as follows:

<u>Fiscal Year Ending</u>	<u>ERS</u>
2020	\$ 41,714
2021	42,041
2022	46,875
2023	50,777
2024	49,206
2025 (Budgeted)	61,646
2025 (Actual)	62,730
2026 (Budgeted)	72,805

Source: Village officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Village does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2022 to 2026) is shown below:

<u>Year</u>	<u>ERS</u>
2022	16.2%
2023	11.6
2024	13.1
2025	15.2
2026	16.5

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Village, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Village is not amortizing or smoothing any pension payments, nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems 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 Retirement Systems ("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 return 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 contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) requires state and local Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, 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.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The Village is not currently in compliance with GASB 75 and will not be conducting an actuarial valuation of its OPEB liability, and does not intend to do so in the foreseeable future. For additional information, please contact the Village.

Financial Statements

The Village’s Audited Financial Statements for the fiscal year ended May 31, 2024, is available and is attached hereto as “APPENDIX – E”. The “APPENDIX – A” to this Official Statement includes summaries of the Village’s most recent audited financial reports covering the fiscal years ended May 31, 2020 through 2024.

The Village complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003, the Village is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Village hired an outside consultant to assist in implementation of GASB 34, inclusive of a physical review and documentation of all assets owned by the Village. The Village is currently in full compliance with GASB 34.

The State Comptroller’s Fiscal Stress Monitoring System

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 district 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 school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. 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 reports of the State Comptroller for the four most recent fiscal years of the Village are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	3.3
2021	No Designation	3.3

Source: Website of the Office of the New York State Comptroller.

Note: Reference to websites implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Village has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There have been no State Comptroller's audits of the Village within the past five years, nor any that are currently in progress or pending release at this time.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which bonds and notes are to be issued, is the Village Law and the Local Finance Law.

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

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

The procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law has been complied with.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending May 31st:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Taxable Assessed Valuation	\$ 51,676,939	\$ 59,004,367	\$ 59,541,310	\$ 59,559,902	\$ 60,057,019
New York State					
Equalization Rate	97.00%	100.00%	90.00%	82.00%	74.00%
Total Taxable Full Valuation	\$ 53,275,195	\$ 59,004,367	\$ 66,157,011	\$ 72,634,027	\$ 81,158,134

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending May 31st:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	\$ 12.57	\$ 11.31	\$ 12.56	\$ 13.18	\$ 13.89

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending May 31st:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 649,741	\$ 667,563	\$ 747,674	\$ 785,055	\$ 833,991
Amount Uncollected ⁽¹⁾	-	-	-	-	N/A
% Uncollected	0.00%	0.00%	0.00%	0.00%	N/A

⁽¹⁾ Taxes guaranteed by Yates County. See "Tax Collection Procedure" herein.

Tax Collection Procedure

Tax payments are due on June 1 to and including June 30th this year without penalty. Penalties for tax delinquencies are imposed at the rate of 5% for the first month delinquent and an additional 1% for each month or fraction thereof thereafter until November 1, at which time the unpaid taxes are submitted to Yates County for collection. Yates County remits a check to the Village in March of each year for the total amount of uncollected taxes and penalties.

Ten Larger Taxpayers – 2024 Assessment Roll for 2024-2025 Village Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
NYSEG	Utility	\$ 3,689,279
4022 Technology Devel Fund Co	Technology	1,350,000
Highland Housing Development Fund	Apartments	1,100,000
Caldwell, Jerry J	Apartments	1,085,500
Oakwood Estates LLC	Housing - Manufactured	1,005,300
MER-CAR DG Corporation	Retail	700,000
Dandy 13 Dundee, LLC	Gas/Convenience Store	711,300
Dundee Holdings, Inc.	Retail	650,000
Frontier Communications	Utility	558,191
Desrochers, Donald J	Apartments	498,000

The larger taxpayers, listed above, have a total assessed valuation of \$11,347,570, which represents 19% of the tax base of the Village.

As of the date of this Official Statement, the Village does not have any pending or outstanding tax certioraris that are known to Village Officials.

Source: Village Tax Rolls.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for the fiscal year ending May 31, 2025 and May 31, 2026:

<u>Fiscal Year Ending May 31st:</u>	<u>2025</u>	<u>2026</u>
Five Year Average Full Valuation.....	\$ 60,598,467	\$ 66,445,747
Tax Limit - (2%).....	1,211,969	1,328,915
Add: Exclusions from Limit.....	164,026	136,211
Total Taxing Power.....	\$ 1,375,995	\$ 1,465,126
Less: Total Levy.....	785,055	833,991
Constitutional Tax Margin.....	<u>\$ 590,940</u>	<u>\$ 631,135</u>

Source: Village officials.

Additional Tax Information

Real property in the Village is assessed by the Town of Starkey.

Veterans' and senior citizens' exemptions are offered to those who qualify.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limitation Law") applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

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

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

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Village is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

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

Pursuant to the Local Finance Law and Village Law, the Village authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Board of Trustees, the finance board of the Village. Customarily, the Board of Trustees has delegated to the Village Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The Village generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the Village, but it is not an absolute legal requirement.

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

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein.)

In general, the Local Finance Law contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget, deficiency and capital notes (see “Details of Outstanding Indebtedness” herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending May 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 1,281,000	\$ 1,929,500	\$ 1,808,000	\$ 1,680,500	\$ 9,983,000
Bond Anticipation Notes	800,000	0	0	0	1,550,000
EFC – Short Term Grid Notes	<u>0</u>	<u>0</u>	<u>1,323,690</u>	<u>8,376,516</u>	<u>0</u>
Totals	<u>\$ 2,081,000</u>	<u>\$ 1,929,500</u>	<u>\$ 3,131,690</u>	<u>\$ 10,057,016</u>	<u>\$ 11,533,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village as of June 20, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2062	\$ 9,983,000
<u>Bond Anticipation Notes</u>		
Water Tank Project	July 10, 2025	<u>1,550,000</u> ⁽¹⁾
Total Indebtedness:		<u>\$ 11,533,000</u>

⁽¹⁾ To be redeemed and renewed in full at maturity with the proceeds of the Notes.

Note: The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the Village.

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Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 20, 2025:

Five-Year Average Full Valuation of Taxable Real Property	\$ 66,445,747
Debt Limit – 7% thereof.....	4,651,202

Inclusions:

Bonds.....	\$ 9,983,000
Bond Anticipation Notes	<u>1,550,000</u>
Total Inclusions.....	\$ <u>11,533,000</u>

Exclusions:

Appropriations ⁽¹⁾	\$ 100,000
Sewer Debt ⁽²⁾	8,376,516
Water Debt ⁽³⁾	<u>1,550,000</u>
Total Exclusions.....	\$ <u>10,026,516</u>

Total Net Indebtedness Subject to Debt Limit.....	\$ <u>1,506,484</u>
Net Debt-Contracting Margin.....	<u>3,144,718</u>
Percent of Debt Contracting Power Exhausted.....	32.39%

(1) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(2) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law. Sewer debt can be excluded upon application to the State Comptroller office and the issuance of a certification for sewer debt exclusion. The Village's application for this exclusion was approved and a certificate was issued on January 5, 2021.

(3) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the Village. The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the Village.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The Village has not issued revenue anticipation notes or tax anticipation notes in the recent past, and has no plans to borrow for such notes in the foreseeable future.

Estimate of Obligations to be Issued

On February 14, 2023, a bond resolution was adopted by the Village authorizing the issuance of up to \$2,576,000 bond anticipation notes and serial bonds to finance the construction of improvements and the acquisition of a new water tank for the Village. The proceeds of the Notes will redeem and renew the outstanding \$1,550,000 bond anticipation notes maturing on July 10, 2025 for the aforementioned purpose.

The Notes are expected to be redeemed at maturity (or earlier redemption) with notes issued through USDA-RD and a \$640,000 Congressional Grant.

The Village anticipates refunding its 2024 bonds originally issued through the USDA Rural Development with bonds to be issued through the New York State Environmental Facilities Corporation at 0% interest. Budgetary savings are currently estimated at \$3.6 million. The bonds are anticipated to be issued in fall 2025.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Village Share</u>	<u>Applicable Indebtedness</u>
County of:						
Yates	12/31/2023	\$ 7,384,353 ⁽²⁾	\$ - ⁽⁴⁾	\$ 7,384,353	1.84%	\$ 135,872
Town of:						
Starkey	12/31/2023	- ⁽²⁾	- ⁽⁵⁾	-	17.32%	-
School District:						
Dundee	5/28/2025	7,150,000 ⁽³⁾	5,841,550 ⁽⁶⁾	1,308,450	15.52%	203,071
Total:						<u>\$ 338,944</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Information regarding excludable debt not available.
- (5) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (6) Amount excluded represents State building aid on existing bonded indebtedness estimated to be received by the district pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963.

Debt Ratios

The following table sets forth certain ratios relating to the Village's net indebtedness as of June 20, 2025:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 1,506,484	\$ 752.11	1.86%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	1,845,428	921.33	2.27

- (a) The 2023 estimated population of the Village is 2,003. (See "THE VILLAGE – Population Trends" herein.)
- (b) The Village's full value of taxable real estate for its 2025-2026 tax roll is \$81,158,134. (See "TAX INFORMATION" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$338,944. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

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

The rights of the owners of the Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commerce or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), 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.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is 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, on a certificate of necessity of the governor reciting facts which in the judgment of 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 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 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 requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any 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. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "NATURE OF OBLIGATION" and "State Debt Moratorium Law" herein.

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

MARKET AND RISK FACTORS

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

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. In several recent years, the Village has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village, could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” herein.

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. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the respective approving legal opinions of Trespasz Law Offices, LLP, Bond Counsel to the Village. Bond Counsel's opinion will be in substantially the forms attached hereto as "APPENDIX - D".

LITIGATION

The Village, like any municipality, may be subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not anticipate that any current, pending or threatened litigation, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village, threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Village.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Village will enter into an Undertaking to provide notice of certain Material Events, the description of which is attached hereto as "APPENDIX - C".

The Village is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

RATINGS

The Notes are NOT rated. Pending approval of the Village, the purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Village, as such rating action may result in a material event notification to be posted to EMMA and/or the provision of a supplement to the final Official Statement.

The Village currently has no rating on outstanding long-term indebtedness.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds or the Notes.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, 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 financial advisor to the Village on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes 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. The fees to be paid by the Village to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Village provided, however; the Village assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Village 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's files with the repositories. When used in Village documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words 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 Notes.

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the Village, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds and Notes, including this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Village.

The Official Statement is submitted only in connection with the sale of the Notes by the Village and may not be reproduced or used in whole or in part for any other purpose.

The Village hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.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. Fiscal Advisors & Marketing, 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, 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. Fiscal Advisors & Marketing, Inc. and the Village also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Village contact information is as follows: Ms. Christine Sutherland, Village Clerk/Treasurer, Village of Dundee, 12 Union Street, Dundee, New York 14837; Phone (607) 243-5551, Email: clerk@dundeevillageny.com

This Official Statement has been duly executed and delivered by the Village Treasurer of the Village of Dundee, Yates County, New York.

VILLAGE OF DUNDEE

Dated: June 20, 2025

CHRISTINE SUTHERLAND
VILLAGE TREASURER

GENERAL FUND

Balance Sheets

Fiscal Years Ending May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 284,617	\$ 652,828	\$ 748,922	\$ 1,014,457	\$ 1,399,047
Investments	754,474	831,464	860,902	912,572	1,002,117
Receivables, net	200,210	350	590	49,472	
Due from other funds	-	-	882	-	32,033
	<u>-</u>	<u>-</u>	<u>882</u>	<u>-</u>	<u>32,033</u>
TOTAL ASSETS	<u>\$ 1,239,301</u>	<u>\$ 1,484,642</u>	<u>\$ 1,611,296</u>	<u>\$ 1,976,501</u>	<u>\$ 2,433,197</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 101,344	\$ 15,808	\$ 33,275	\$ 21,736	\$ 23,716
Accrued Liabilities	-	-		11,357	9,062
Due to Retirement System	3,641	4,169	3,598	4,482	5,710
Unearned Revenues	-	-	83,595	167,179	167,179
	<u>-</u>	<u>-</u>	<u>83,595</u>	<u>167,179</u>	<u>167,179</u>
TOTAL LIABILITIES	<u>104,985</u>	<u>19,977</u>	<u>120,468</u>	<u>204,754</u>	<u>205,667</u>
<u>FUND EQUITY</u>					
Restricted	\$ 935,723	\$ 1,205,613	\$ 1,240,725	\$ 1,434,060	\$ 1,755,132
Assigned	91,302	138,292	140,833	261,103	252,473
Unassigned	107,291	120,760	109,270	76,584	219,925
	<u>107,291</u>	<u>120,760</u>	<u>109,270</u>	<u>76,584</u>	<u>219,925</u>
TOTAL FUND EQUITY	<u>1,134,316</u>	<u>1,464,665</u>	<u>1,490,828</u>	<u>1,771,747</u>	<u>2,227,530</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 1,239,301</u>	<u>\$ 1,484,642</u>	<u>\$ 1,611,296</u>	<u>\$ 1,976,501</u>	<u>\$ 2,433,197</u>

Source: 2020-2024 Audited Financial Reports of the Village. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending May 31:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>REVENUES</u>					
Real Property Taxes and Tax Items	\$ 607,281	\$ 631,456	\$ 654,981	\$ 674,812	\$ 755,525
Non-Property Tax Items	20,680	20,908	23,979	24,799	93,230
Departmental Income	23,294	26,385	24,563	28,030	18,841
Intergovernmental Charges	300,411	301,017	322,340	329,365	392,915
Use of Money & Property	28,338	55,880	27,899	31,509	57,846
Licenses and Permits	2,448	4,625	2,299	2,324	6,002
Fines and Forfeitures	17,372	472	-	-	-
Sale of Property and Compensation for Loss	67,917	35,062	2,679	14,994	38,916
Interfund Revenues	-	-	-	-	-
Miscellaneous	98	12,684	12,694	4,680	15,629
Revenues from State Sources	263,340	48,575	67,185	108,682	93,578
Revenues from Federal Sources	-	154,286	-	62,612	11,259
Total Revenues	<u>1,331,179</u>	<u>1,291,350</u>	<u>1,138,619</u>	<u>1,281,807</u>	<u>1,483,741</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 91,197	\$ 76,860	\$ 87,027	\$ 155,624	\$ 127,987
Public Safety	832,580	312,911	168,482	174,583	200,496
Health	-	-	-	-	-
Transportation	327,869	221,757	502,332	311,072	389,827
Economic Assistance and Opportunity	1,981	2,738	15,738	7,908	3,455
Culture and Recreation	31,605	16,325	25,798	22,585	29,145
Home and Community Services	46,707	54,074	85,579	86,754	52,559
Employee Benefits	133,451	145,269	163,500	147,834	145,133
Debt Service	-	-	-	81,821	86,288
Total Expenditures	<u>\$ 1,465,390</u>	<u>\$ 829,934</u>	<u>\$ 1,048,456</u>	<u>\$ 988,181</u>	<u>\$ 1,034,890</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (134,211)</u>	<u>\$ 461,416</u>	<u>\$ 90,163</u>	<u>\$ 293,626</u>	<u>\$ 448,851</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	1,098	6,932
Operating Transfers Out	-	(131,067)	(64,000)	(13,805)	-
Total Other Financing	<u>-</u>	<u>(131,067)</u>	<u>(64,000)</u>	<u>(12,707)</u>	<u>6,932</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(134,211)</u>	<u>330,349</u>	<u>26,163</u>	<u>280,919</u>	<u>455,783</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,268,527	1,134,316	1,464,665	1,490,828	1,771,747
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,134,316</u>	<u>\$ 1,464,665</u>	<u>\$ 1,490,828</u>	<u>\$ 1,771,747</u>	<u>\$ 2,227,530</u>

Source: 2020-2024 Audited Financial Reports of the Village. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget & Actual

Fiscal Years Ending May 31:

	2024			2025	2026
	<u>Original Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<u>REVENUES</u>					
Real Property Taxes and Tax Items	\$ 755,171	\$ 755,171	\$ 755,525	\$ 792,555	\$ 841,491
Non-Property Tax Items	33,000	42,150	93,230	33,000	33,000
Departmental Income	22,280	22,280	18,841	22,280	22,280
Intergovernmental Charges	387,408	393,088	392,915	426,410	456,495
Use of Money & Property	5,950	350	57,846	5,950	5,950
Licenses and Permits	2,850	2,850	6,002	2,850	5,295
Fines and Forfeitures	-	-	-	-	-
Sale of Property and					
Compensation for Loss	2,931	27,715	38,916	2,931	2,931
Interfund Revenues	65,000	-	-	92,520	-
Miscellaneous	-	13,829	15,629	-	-
Revenues from State Sources	83,569	90,924	93,578	88,424	96,883
Revenues from Federal Sources	-	-	11,259	-	-
Total Revenues	<u>1,358,159</u>	<u>1,348,357</u>	<u>1,483,741</u>	<u>1,466,920</u>	<u>1,464,325</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 125,272	\$ 135,520	\$ 127,987	\$ 153,658	\$ 158,375
Public Safety	190,884	271,948	200,496	196,661	215,278
Health	-	-	-	-	-
Transportation	625,805	626,683	389,827	417,852	432,759
Economic Assistance and Opportunity	4,615	4,647	3,455	7,310	7,360
Culture and Recreation	45,385	39,785	29,145	75,409	56,587
Home and Community Services	81,950	78,292	52,559	86,964	98,940
Employee Benefits	216,563	218,291	145,133	232,596	238,258
Debt Service	86,288	86,288	86,288	85,538	84,413
Total Expenditures	<u>\$ 1,376,762</u>	<u>\$ 1,461,454</u>	<u>\$ 1,034,890</u>	<u>\$ 1,255,988</u>	<u>\$ 1,291,970</u>
Excess of Revenues Over (Under)					
Expenditures	<u>\$ (18,603)</u>	<u>\$ (113,097)</u>	<u>\$ 448,851</u>	<u>\$ 210,932</u>	<u>\$ 172,355</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	6,932	-	-
Appropriated Fund Balance	-	-	-	70,068	59,563
Appropriated Reserves	-	-	-	-	66,582
Other Budgetary Uses	-	-	-	(281,000)	(298,500)
Operating Transfers Out	<u>(242,500)</u>	<u>(187,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>(242,500)</u>	<u>(187,147)</u>	<u>6,932</u>	<u>(210,932)</u>	<u>(172,355)</u>
Excess of Revenues and Other					
Sources Over (Under) Expenditures					
and Other Uses	<u>(261,103)</u>	<u>(300,244)</u>	<u>455,783</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,771,747	1,771,747	1,771,747	-	-
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,510,644</u>	<u>\$ 1,471,503</u>	<u>\$ 2,227,530</u>	<u>\$ -</u>	<u>\$ -</u>

Source: 2024 Audited Financial Statements and budgets of the Village. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending May 31st	Principal	Interest	Total
2026	\$ 250,000	\$ 199,313.76	\$ 449,313.76
2027	253,000	194,440.00	447,440.00
2028	262,000	189,318.76	451,318.76
2029	265,000	184,016.26	449,016.26
2030	275,000	178,643.76	453,643.76
2031	279,000	173,080.00	452,080.00
2032	197,000	167,435.00	364,435.00
2033	202,000	163,420.00	365,420.00
2034	205,000	159,313.76	364,313.76
2035	210,000	155,137.50	365,137.50
2036	214,000	150,870.00	364,870.00
2037	218,000	146,511.26	364,511.26
2038	223,000	142,072.50	365,072.50
2039	227,000	137,542.50	364,542.50
2040	231,000	132,921.26	363,921.26
2041	236,000	128,220.00	364,220.00
2042	241,000	123,417.50	364,417.50
2043	245,000	118,513.76	363,513.76
2044	251,000	113,520.00	364,520.00
2045	256,000	110,415.00	366,415.00
2046	261,000	103,208.76	364,208.76
2047	267,000	97,891.26	364,891.26
2048	271,000	92,462.50	363,462.50
2049	277,000	86,943.76	363,943.76
2050	283,000	81,303.76	364,303.76
2051	288,000	75,552.50	363,552.50
2052	294,000	69,690.00	363,690.00
2053	300,000	63,706.26	363,706.26
2054	307,000	57,591.26	364,591.26
2055	313,000	51,345.00	364,345.00
2056	318,000	44,977.50	362,977.50
2057	278,000	38,500.00	316,500.00
2058	283,000	32,890.00	315,890.00
2059	289,000	27,170.00	316,170.00
2060	295,000	21,330.00	316,330.00
2061	300,000	15,380.00	315,380.00
2062	306,000	9,320.00	315,320.00
2063	313,000	3,130.00	316,130.00
TOTALS	\$ 9,983,000	\$ 4,040,515.14	\$ 14,023,515.14

The table above does not include any energy performance contract, capital lease, or installment purchase contract indebtedness, to the extent any such indebtedness may be applicable to the Village.

CURRENT BONDS OUTSTANDING

Fiscal Years Ending May 31st	2024			2018			2022		
	USDA Rural Development - Sewer Project			USDA - Rural Development Bonds			(Serial) Bond - Capital Improvement Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 150,000	\$ 167,100.00	\$ 317,100.00	\$ 25,000	\$ 22,801.26	\$ 47,801.26	\$ 75,000	\$ 9,412.50	\$ 84,412.50
2027	153,000	164,070.00	317,070.00	25,000	22,270.00	47,270.00	75,000	8,100.00	83,100.00
2028	156,000	160,980.00	316,980.00	26,000	21,738.76	47,738.76	80,000	6,600.00	86,600.00
2029	159,000	157,830.00	316,830.00	26,000	21,186.26	47,186.26	80,000	5,000.00	85,000.00
2030	163,000	154,610.00	317,610.00	27,000	20,633.76	47,633.76	85,000	3,400.00	88,400.00
2031	166,000	151,320.00	317,320.00	28,000	20,060.00	48,060.00	85,000	1,700.00	86,700.00
2032	169,000	147,970.00	316,970.00	28,000	19,465.00	47,465.00	-	-	-
2033	173,000	144,550.00	317,550.00	29,000	18,870.00	47,870.00	-	-	-
2034	176,000	141,060.00	317,060.00	29,000	18,253.76	47,253.76	-	-	-
2035	180,000	137,500.00	317,500.00	30,000	17,637.50	47,637.50	-	-	-
2036	183,000	133,870.00	316,870.00	31,000	17,000.00	48,000.00	-	-	-
2037	187,000	130,170.00	317,170.00	31,000	16,341.26	47,341.26	-	-	-
2038	191,000	126,390.00	317,390.00	32,000	15,682.50	47,682.50	-	-	-
2039	194,000	122,540.00	316,540.00	33,000	15,002.50	48,002.50	-	-	-
2040	198,000	118,620.00	316,620.00	33,000	14,301.26	47,301.26	-	-	-
2041	202,000	114,620.00	316,620.00	34,000	13,600.00	47,600.00	-	-	-
2042	206,000	110,540.00	316,540.00	35,000	12,877.50	47,877.50	-	-	-
2043	210,000	106,380.00	316,380.00	35,000	12,133.76	47,133.76	-	-	-
2044	215,000	102,130.00	317,130.00	36,000	11,390.00	47,390.00	-	-	-
2045	219,000	97,790.00	316,790.00	37,000	12,625.00	49,625.00	-	-	-
2046	223,000	93,370.00	316,370.00	38,000	9,838.76	47,838.76	-	-	-
2047	228,000	88,860.00	316,860.00	39,000	9,031.26	48,031.26	-	-	-
2048	232,000	84,260.00	316,260.00	39,000	8,202.50	47,202.50	-	-	-
2049	237,000	79,570.00	316,570.00	40,000	7,373.76	47,373.76	-	-	-
2050	242,000	74,780.00	316,780.00	41,000	6,523.76	47,523.76	-	-	-
2051	246,000	69,900.00	315,900.00	42,000	5,652.50	47,652.50	-	-	-
2052	251,000	64,930.00	315,930.00	43,000	4,760.00	47,760.00	-	-	-
2053	256,000	59,860.00	315,860.00	44,000	3,846.26	47,846.26	-	-	-
2054	262,000	54,680.00	316,680.00	45,000	2,911.26	47,911.26	-	-	-
2055	267,000	49,390.00	316,390.00	46,000	1,955.00	47,955.00	-	-	-
2056	272,000	44,000.00	316,000.00	46,000	977.50	46,977.50	-	-	-
2057	278,000	38,500.00	316,500.00	-	-	-	-	-	-
2058	283,000	32,890.00	315,890.00	-	-	-	-	-	-
2059	289,000	27,170.00	316,170.00	-	-	-	-	-	-
2060	295,000	21,330.00	316,330.00	-	-	-	-	-	-
2061	300,000	15,380.00	315,380.00	-	-	-	-	-	-
2062	306,000	9,320.00	315,320.00	-	-	-	-	-	-
2063	313,000	3,130.00	316,130.00	-	-	-	-	-	-
TOTALS	\$ 8,430,000	\$ 3,601,360.00	\$ 12,031,360.00	\$ 1,073,000	\$ 404,942.64	\$ 1,477,942.64	\$ 480,000	\$ 34,212.50	\$ 514,212.50

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, the Village has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Note:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Village
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a “financial obligation” (as defined by the Rule) of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no “debt service reserves” will be established for the Notes.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) 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 Village 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 Village, 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 Village.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Note). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village’s obligations under its material event notices undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The Village reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Village; provided that the Village agrees that any such modification will be done in a manner consistent with the Rule.

An “Undertaking to Provide Notice of Material Events” to this effect shall be provided to the purchaser(s) at closing.

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FORM OF BOND COUNSEL’S OPINION

July 9, 2025

Village of Dundee
County of Yates,
State of New York

Re: Village of Dundee, Yates County, New York
\$1,550,000 Bond Anticipation Notes, 2025 (Renewals)

As bond counsel to the Village of Dundee, Yates County, New York (the “Village,” “County,” and “State,” respectively), we have examined a record of proceedings relating to the issuance of \$1,550,000 Bond Anticipation Notes, 2025 (Renewals) (the “Note”) of the Village. The Notes are dated July 9, 2025 and is being issued pursuant to the Constitution and laws of the State of New York, various bond resolutions adopted by the Village’s Board of Trustees and a Certificate of Determination dated on or before July 9, 2025 of the Village Treasurer relative to the form and terms of the Notes.

In our opinion, the Note is a valid and legally binding general obligation of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the Village is subject to levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to applicable statutory limitations. The enforceability of rights or remedies with respect to the Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from the gross income of the owners thereof under Section 103 of the Code. The Village Treasurer, in executing the Arbitrage and Use of Proceeds Certificate, has certified 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 that interest on the Note is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the Village delivered concurrently with the delivery of the Note, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Note has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Note to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Note and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the Village. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Note has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Village, together with other legally available sources of revenue, if any, will be sufficient to enable the Village to pay the principal of or interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the Village would materially affect the ability of the Village to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the Village, in connection with the sale of the Note, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz Law Offices, LLP

VILLAGE OF DUNDEE
YATES COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2024

The Village's independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Village's independent auditor also has not performed any procedures relating to this Official Statement.

VILLAGE OF DUNDEE
YATES COUNTY, NEW YORK
BASIC FINANCIAL STATEMENTS
For Year Ended May 31, 2024



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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Village of Dundee
Yates County, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Dundee, Yates County, New York, as of May 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Dundee, Yates County 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Village's proportionate share of the net pension liability, schedule of Village contributions, and budgetary comparison information on pages 4-13 and 54-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Dundee, Yates County, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025 on our consideration of Village of Dundee, Yates County, New York'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 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 of Dundee, Yates County, New York's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
February 19, 2025

Village of Dundee, Yates County, New York

Management's Discussion and Analysis (MD&A)

May 31, 2024

Introduction

Our discussion and analysis of the Village of Dundee, Yates County, New York's financial performance provides an overview of the Village's financial activities for the year ended May 31, 2024. It should be read in conjunction with the basic financial statements to enhance understanding of the Village's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2024 are as follows:

- ◆ At the end of the current year, the fund balance of the General Fund was \$2,227,530 an increase of \$455,783 compared to the prior year.
- ◆ The Village's governmental fund financial statements report a combined ending fund balance of \$2,282,813. Approximately \$219,925 of this total amount is available for spending at the Village's discretion (unassigned fund balance).
- ◆ On the government-wide financial statements, the assets of the Village exceeded liabilities by \$8,599,474 an increase of \$833,111 over the prior year. Of this amount, the unrestricted portion is (\$1,289,229). The balance of net position is either restricted for specific purposes or the net book value of capital assets.
- ◆ General revenues which include Property Tax, Non-Property Taxes (Sales Tax), Mortgage Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$988,443 or 35% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$1,864,043 or 65% of total revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

1. Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

- ◆ The *statement of net position* presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

- ◆ The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- ◆ The *governmental* activities of the Village include highway maintenance, snow removal, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

2. Fund Financial Statements

- ◆ A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Village can be divided into two categories: Governmental Funds and Fiduciary Funds.
- ◆ *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Village's near-term financing requirements.
- ◆ Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- ◆ The Village maintains three individual governmental funds; General Fund, Capital Projects Fund, Miscellaneous Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund.
- ◆ The Village adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the basic financial statements to demonstrate compliance with the budget.
- ◆ The *Proprietary Fund* - The Village maintains two proprietary funds. The Water Fund and the Sewer Fund are reported as Business Type Activities. The Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- ◆ The *Fiduciary Funds* are used to account for assets held by the Village in an agency capacity which accounts for assets held by the Village on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support the Village's programs.

The financial statements for the Village of Dundee, Yates County, New York can be found in the basic financial statement section of this report.

Major Features of the Village-Wide and Fund Financial Statements			
		Fund Financial Statements	
<u>Features</u>	<u>Village-Wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire Village	The activities of the Village that are not proprietary or fiduciary, such as General Administration, Highway and Library	Instances in which the Village administers resources on behalf of someone else
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net position, and Statement of Changes in Fiduciary Net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities 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 deductions during the year, regardless of when cash is received or paid

3. *Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Dundee, Yates County, New York, net position at the close of the current year was \$8,599,474.

Net Position

	Governmental Activities	Business-Type Activities	Total 2024	Governmental Activities	Business-Type Activities	Total 2023	Total Variance
ASSETS:							
Current and Other Assets	\$ 2,488,480	\$ 911,600	\$ 3,400,080	\$ 2,033,825	\$ 776,805	\$ 2,810,630	\$ 589,450
Capital Assets	3,533,767	14,109,576	17,643,343	3,710,017	6,309,087	10,019,104	7,624,239
Total Assets	\$ 6,022,247	\$ 15,021,176	\$ 21,043,423	\$ 5,743,842	\$ 7,085,892	\$ 12,829,734	\$ 8,213,689
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows of Resources	\$ 338,128	\$ 66,950	\$ 405,078	\$ 404,620	\$ 83,174	\$ 487,794	\$ (82,716)
LIABILITIES:							
Long-Term Debt Obligations	\$ 1,887,426	\$ 1,266,115	\$ 3,153,541	\$ 1,962,757	\$ 1,350,279	\$ 3,313,036	\$ (159,495)
Other Liabilities	209,648	8,867,449	9,077,097	213,685	1,430,877	1,644,562	7,432,535
Total Liabilities	\$ 2,097,074	\$ 10,133,564	\$ 12,230,638	\$ 2,176,442	\$ 2,781,156	\$ 4,957,598	\$ 7,273,040
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows of Resources	\$ 574,556	\$ 43,833	\$ 618,389	\$ 583,863	\$ 9,704	\$ 593,567	\$ 24,822
NET POSITION:							
Net Investment in Capital Assets	\$ 2,978,767	\$ 4,859,965	\$ 7,838,732	\$ 3,080,017	\$ 3,807,404	\$ 6,887,421	\$ 951,311
Restricted For:							
Capital Reserve	731,338	-	731,338	500,821	-	500,821	230,517
Repair Reserve	21,677	239,556	261,233	20,667	218,165	238,832	22,401
Length of Service Award Programs	1,002,117	-	1,002,117	912,572	-	912,572	89,545
Other Purposes	55,283	-	55,283	52,707	-	52,707	2,576
Unrestricted	(1,100,437)	(188,792)	(1,289,229)	(1,178,627)	352,637	(825,990)	(463,239)
Total Net Position	\$ 3,688,745	\$ 4,910,729	\$ 8,599,474	\$ 3,388,157	\$ 4,378,206	\$ 7,766,363	\$ 833,111

The largest component of the Village's net position, \$7,838,732 is net investment in capital assets. The Village uses these assets to provide and deliver services to our residents and consequently, these assets are not available for future spending. The "related debt" must be paid for using resources raised in future budgets because the assets cannot be liquidated to satisfy this debt. In fact, a significant portion of our resources and energy is devoted to maintaining our infrastructure and we must plan to replace it as it ages.

Assets subject to external restrictions comprise \$2,049,971 of net position. Primarily, these resources are construction in progress, or reserves earmarked to provide for extraordinary events or special districts.

The remaining balance of net position is unrestricted, which is a deficit of \$1,289,229.

Key Variances

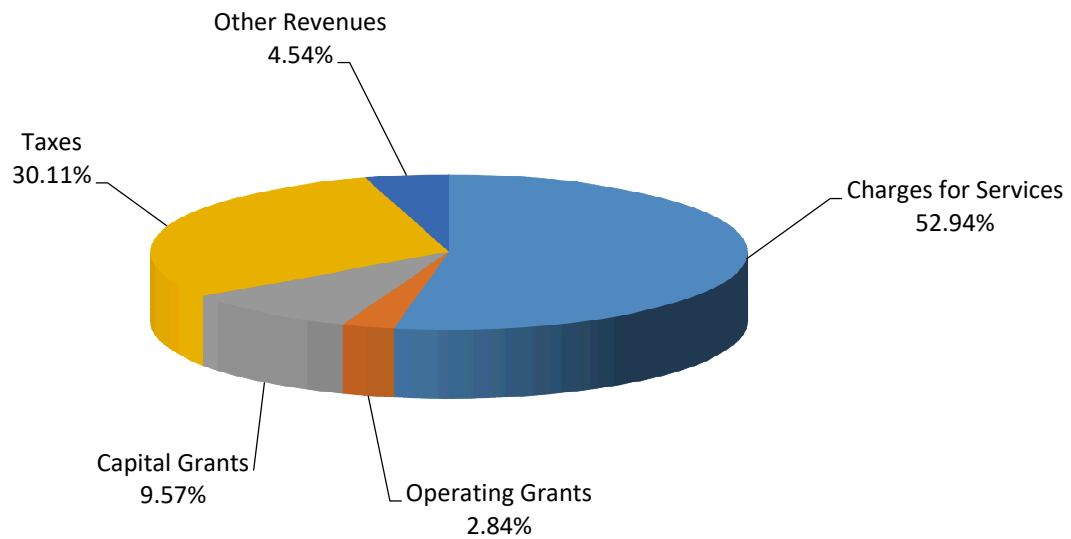
- Capital Assets increased \$7,624,239 as a result of the sewer plan project capital outlay
- Other Liabilities increased \$7,432,535 as a result of long term Debt obligations due to the sewer plan project capital outlay

Change in Net Position

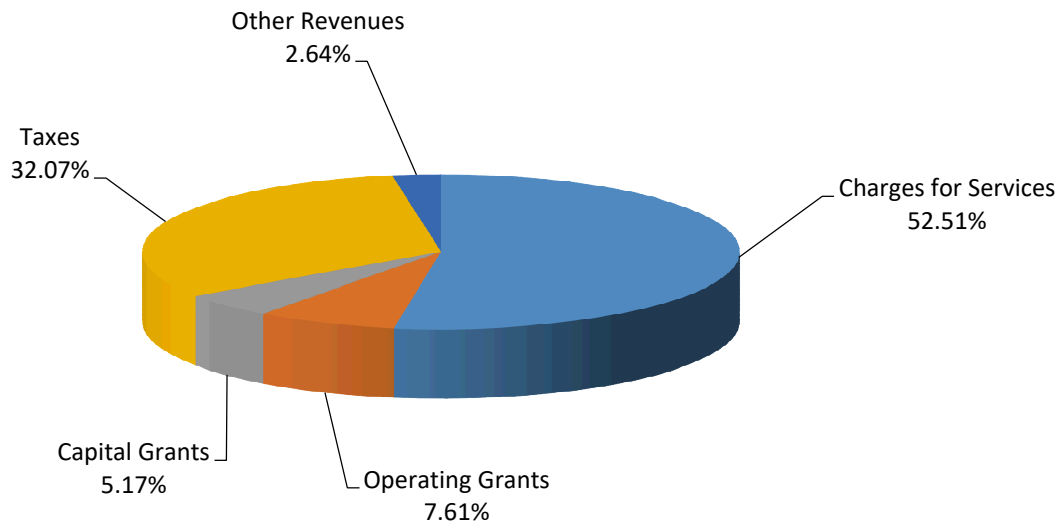
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Total <u>2024</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Total <u>2023</u>	Total <u>Variance</u>
<u>REVENUES:</u>							
<u>Program -</u>							
Charges for Service	\$ 417,758	\$ 1,092,249	\$ 1,510,007	\$ 359,719	\$ 806,970	\$ 1,166,689	\$ 343,318
Operating Grants & Contributions	80,925	-	80,925	11,733	10,909	22,642	58,283
Capital Grants & Contributions	13,759	259,352	273,111	146,498	114,958	261,456	11,655
Taxes	858,908	-	858,908	712,674	-	712,674	146,234
Other Revenues	117,282	12,253	129,535	51,602	6,869	58,471	71,064
TOTAL REVENUES	\$ 1,488,632	\$ 1,363,854	\$ 2,852,486	\$ 1,282,226	\$ 939,706	\$ 2,221,932	\$ 630,554
<u>EXPENSES:</u>							
General Government Support	\$ 115,112	\$ -	\$ 115,112	\$ 208,395	\$ -	\$ 208,395	\$ (93,283)
Public Safety	419,901	-	419,901	386,199	-	386,199	33,702
Transportation	523,705	-	523,705	433,157	-	433,157	90,548
Economic Assistance & Opportunity	3,455	-	3,455	7,908	-	7,908	(4,453)
Culture & Recreation	37,186	-	37,186	27,745	-	27,745	9,441
Home & Community Services	82,347	-	82,347	162,324	-	162,324	(79,977)
Interest on long-term deb	6,338	-	6,338	20,752	-	20,752	(14,414)
Water	-	370,716	370,716	-	393,092	393,092	(22,376)
Sewer	-	460,615	460,615	-	381,206	381,206	79,409
TOTAL EXPENSES	\$ 1,188,044	\$ 831,331	\$ 2,019,375	\$ 1,246,480	\$ 774,298	\$ 2,020,778	\$ (1,403)
INCREASE IN NET POSITION	\$ 300,588	\$ 532,523	\$ 833,111	\$ 35,746	\$ 165,408	\$ 201,154	
NET POSITION, BEGINNING OF YEAR	<u>3,388,157</u>	<u>4,378,206</u>	<u>7,766,363</u>	<u>3,352,411</u>	<u>4,212,798</u>	<u>7,565,209</u>	
NET POSITION, END OF YEAR	<u>\$ 3,688,745</u>	<u>\$ 4,910,729</u>	<u>\$ 8,599,474</u>	<u>\$ 3,388,157</u>	<u>\$ 4,378,206</u>	<u>\$ 7,766,363</u>	

Governmental activities increased the Village's net position by \$833,111. As previously indicated and shown on the following graphs, the Village relies upon taxes, charges for services, and operating grants as their primary revenue sources. Expenditures are evenly distributed dependent on the Village's services.

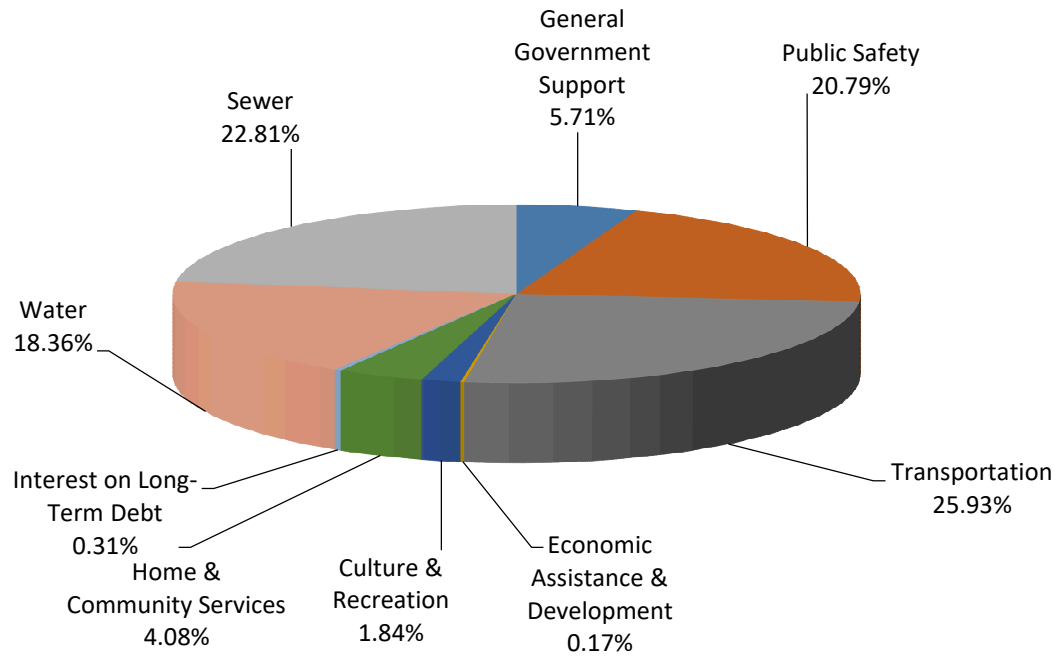
REVENUES 2024



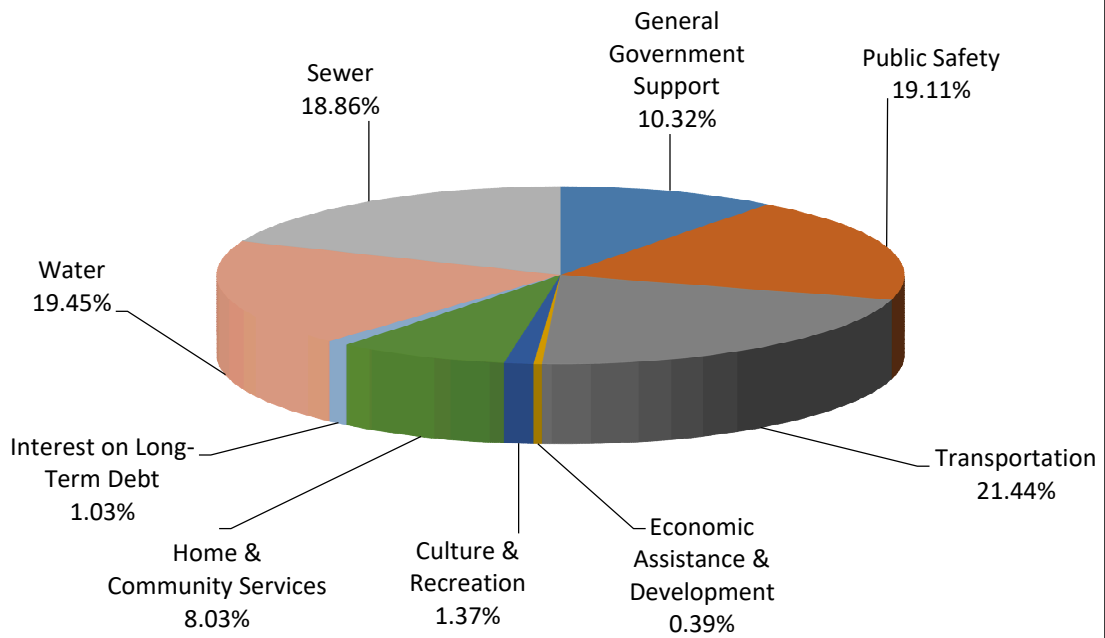
REVENUES 2023



EXPENDITURES 2024



EXPENDITURES 2023



Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Village's *governmental funds* is to provide information on near term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year and amounts to be applied against next years fund balance.

As of the end of the current year, the Village's combined governmental fund balances are \$2,282,813. Of this amount \$219,925 is primarily for providing cash and for future spending needs, \$252,473 in assigned fund balance, and \$1,810,415 in restricted fund balance.

The General Fund is the chief operating fund of the Village. At the end of the current year, the total fund balance of the General Fund was \$2,227,530, of which \$219,925 was unreserved and undesignated.

Budgetary Highlights

The key budget variances for the General Fund are listed below.

<u>Revenue Items</u>	Budget Variance Original Vs. Amended	<u>Explanation for Budget Variance</u>
Interfund Revenue	(\$65,000)	Did not use the capital equipment reserve
<u>Expenditure Items</u>	Budget Variance Original Vs. Amended	<u>Explanation for Budget Variance</u>
Public Safety	\$81,064	Appropriated the unexpended balance from the 2022-2023 fire dept. budget
Transfers-Out	(\$55,353)	Budget for reserve funding

<u>Revenue Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
Non-Property Taxes	\$51,080	Yates County Shared sales tax revenue
Use of Money and Property	\$57,496	Interest Received in special funds, Conservative Budgeting
<u>Expenditure Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
Public Safety	\$65,029	Conservative Budgeting
Transportation	\$60,874	Conservative Budgeting
Home and Community Services	\$25,733	Conservative Budgeting
Employee Benefits	\$73,158	Conservative Budgeting
Transfers-Out	\$187,147	Budget for reserve funding

Capital Assets

A listing of capital assets, net of accumulated depreciation, is reflected below:

	<u>2024</u>	<u>2023</u>
<u>Governmental Activities:</u>		
<u>Capital Assets</u>		
Land	\$ 70,209	\$ 70,209
Buildings and Improvements	456,133	493,890
Machinery and Equipment	697,719	808,963
Infrastructure	2,309,706	2,336,955
Total Capital Assets	<u>\$ 3,533,767</u>	<u>\$ 3,710,017</u>
<u>Business-Type Activities:</u>		
<u>Capital Assets</u>		
Land	\$ 111,507	\$ 111,507
Work in Progress	692,626	783,093
Buildings and Improvements	8,778,252	1,409,892
Machinery and Equipment	848,151	217,656
Infrastructure	3,679,040	3,786,939
Total Capital Assets	<u>\$ 14,109,576</u>	<u>\$ 6,309,087</u>

More detailed information about the Village's capital assets is presented in the notes to the financial statements.

Long-Term Debt

The general obligation and other long-term debt of the Village is as follows:

<u>Type</u>	<u>2024</u>	<u>2023</u>
<u>Governmental Activities:</u>		
Serial Bonds	\$ 555,000	\$ 630,000
Compensated Absences	52,174	48,820
Net Pension Liability	89,243	135,002
LOSAP	1,191,009	1,148,935
<u>Business-Type Activities:</u>		
Serial Bonds	1,125,500	1,178,000
Compensated Absences	64,592	57,276
Net Pension Liability	76,023	115,003
Total Long-Term Obligations	<u>\$ 3,153,541</u>	<u>\$ 3,313,036</u>

Factors Bearing on the Village's Future

- New Sewer Plant currently in construction phase
- New Water Towner and 5000LF of Waterlines
- Unfunded State Mandates and possible unfunded OSHA Mandates on Fire Departments

Requests for Information

This report is designed to provide a general overview of the Village's finances for all those having an interest. It should be read in conjunction with the accompanying basic financial statements and related footnotes. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The Village of Dundee
12 Union Street, Village Hall
Dundee, New York 14837

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Net Position

May 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,454,330	\$ 840,966	\$ 2,295,296
Investments	1,002,117	-	1,002,117
Accounts receivable, net	-	102,667	102,667
Internal balances	32,033	(32,033)	-
Capital assets:			
Land and work in progress	70,209	804,133	874,342
Other capital assets, net of depreciation	3,463,558	13,305,443	16,769,001
TOTAL ASSETS	\$ 6,022,247	\$ 15,021,176	\$ 21,043,423
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	\$ 338,128	\$ 66,950	\$ 405,078
LIABILITIES			
Accounts payable	\$ 23,716	\$ 473,378	\$ 497,094
Accrued liabilities	13,043	12,810	25,853
Bond anticipation notes payable	-	8,376,516	8,376,516
Due to retirement system	5,710	4,745	10,455
Unearned revenue	167,179	-	167,179
Noncurrent liabilities:			
Due in one year	82,826	61,091	143,917
Due in more than one year	1,804,600	1,205,024	3,009,624
TOTAL LIABILITIES	\$ 2,097,074	\$ 10,133,564	\$ 12,230,638
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ 574,556	\$ 43,833	\$ 618,389
NET POSITION			
Net investment in capital assets	\$ 2,978,767	\$ 4,859,965	\$ 7,838,732
Restricted for:			
Capital reserves	731,338	-	731,338
Length of service awards program	1,002,117	-	1,002,117
Repair reserve	21,677	239,556	261,233
Restricted other purposes	55,283	-	55,283
Unrestricted	(1,100,437)	(188,792)	(1,289,229)
TOTAL NET POSITION	\$ 3,688,745	\$ 4,910,729	\$ 8,599,474

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Activities

For the Year Ended May 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government support	\$ 115,112	\$ 12,537	\$ 11,733	\$ 13,759	\$ (77,083)	\$ -	\$ (77,083)
Public safety	419,901	380,058	-	-	(39,843)	-	(39,843)
Transportation	523,705	1,323	69,192	-	(453,190)	-	(453,190)
Economic assistance and development	3,455	-	-	-	(3,455)	-	(3,455)
Culture and recreation	37,186	7,177	-	-	(30,009)	-	(30,009)
Home and community services	82,347	16,663	-	-	(65,684)	-	(65,684)
Interest on long-term debt	6,338	-	-	-	(6,338)	-	(6,338)
Total Governmental Activities	\$ 1,188,044	\$ 417,758	\$ 80,925	\$ 13,759	\$ (675,602)	\$ -	\$ (675,602)
Business-Type Activities:							
Water fund	\$ 370,716	\$ 464,327	\$ -	\$ -	\$ -	\$ 93,611	\$ 93,611
Sewer fund	460,615	627,922	-	259,352	-	426,659	426,659
Total Business-Type Activities	\$ 831,331	\$ 1,092,249	\$ -	\$ 259,352	\$ -	\$ 520,270	\$ 520,270
Total Primary Government	\$ 2,019,375	\$ 1,510,007	\$ 80,925	\$ 273,111	\$ (675,602)	\$ 520,270	\$ (155,332)
General Revenues:							
Taxes:							
Property taxes					\$ 755,525	\$ -	\$ 755,525
Non-property taxes					93,230	-	93,230
Mortgage tax					10,153	-	10,153
Compensation for loss					38,916	-	38,916
Investment earnings					60,422	11,357	71,779
Miscellaneous					17,944	896	18,840
Total General Revenues					\$ 976,190	\$ 12,253	\$ 988,443
Change in Net Position					\$ 300,588	\$ 532,523	\$ 833,111
Net Position - Beginning					3,388,157	4,378,206	7,766,363
Net Position - Ending					\$ 3,688,745	\$ 4,910,729	\$ 8,599,474

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Balance Sheet

Governmental Funds

May 31, 2024

	<u>Major</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 1,399,047	\$ 55,283	\$ 1,454,330
Investments	1,002,117	-	1,002,117
Due from other funds	32,033	-	32,033
Total Assets	<u>\$ 2,433,197</u>	<u>\$ 55,283</u>	<u>\$ 2,488,480</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 23,716	\$ -	\$ 23,716
Accrued liabilities	9,062	-	9,062
Due to retirement system	5,710	-	5,710
Unearned revenue	167,179	-	167,179
Total Liabilities	<u>\$ 205,667</u>	<u>\$ -</u>	<u>\$ 205,667</u>
Fund Balances			
Restricted	\$ 1,755,132	\$ 55,283	\$ 1,810,415
Assigned	252,473	-	252,473
Unassigned	219,925	-	219,925
Total Fund Balances	<u>\$ 2,227,530</u>	<u>\$ 55,283</u>	<u>\$ 2,282,813</u>
Total Liabilities and Fund Balances	<u>\$ 2,433,197</u>	<u>\$ 55,283</u>	

**Amounts reported for governmental activities in the
statement of net position are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,533,767
Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.	(3,981)
An amount was amortized for advance refunding bonds	
The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:	
Serial Bonds Payable	(555,000)
Deferred Inflows - Pensions	(574,556)
Deferred Outflows - Pensions	338,128
Pension Liability	(1,280,252)
Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(52,174)
Net Position of Governmental Activities	<u><u>\$ 3,688,745</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended May 31, 2024

	<u>Major</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Real property and tax items	\$ 755,525	\$ -	\$ 755,525
Non-property taxes	93,230	-	93,230
Departmental income	18,841	-	18,841
Intergovernmental charges	392,915	-	392,915
Use of money and property	57,846	2,576	60,422
Licenses and permits	6,002	-	6,002
Sale of property and compensation for loss	38,916	-	38,916
Miscellaneous	15,629	2,315	17,944
State and county aid	93,578	-	93,578
Federal aid	11,259	-	11,259
Total Revenues	<u>\$ 1,483,741</u>	<u>\$ 4,891</u>	<u>\$ 1,488,632</u>
Expenditures:			
Current:			
General government support	\$ 127,987	\$ -	\$ 127,987
Public safety	200,496	-	200,496
Transportation	389,827	-	389,827
Economic assistance and development	3,455	-	3,455
Culture and recreation	29,145	-	29,145
Home and community services	52,559	-	52,559
Employee benefits	145,133	-	145,133
Debt Service:			
Debt service - principal	75,000	-	75,000
Debt service - interest and other charges	11,288	-	11,288
Total Expenditures	<u>\$ 1,034,890</u>	<u>\$ -</u>	<u>\$ 1,034,890</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 448,851</u>	<u>\$ 4,891</u>	<u>\$ 453,742</u>
Other Financing Sources and Uses:			
Transfers - in	\$ 6,932	\$ -	\$ 6,932
Transfers - out	-	(6,932)	(6,932)
Total Other Financing Sources and Uses	<u>\$ 6,932</u>	<u>\$ (6,932)</u>	<u>\$ -</u>
Net change in fund balances	\$ 455,783	\$ (2,041)	\$ 453,742
Fund Balance - Beginning	<u>1,771,747</u>	<u>57,324</u>	<u>1,829,071</u>
Fund Balance - Ending	<u><u>\$ 2,227,530</u></u>	<u><u>\$ 55,283</u></u>	<u><u>\$ 2,282,813</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended May 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 453,742

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

Governmental funds report capital outlay 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. This is the amount by which depreciation exceeded capital outlays in the current period.

Addition of assets	\$	140,336	
Depreciation		<u>(316,586)</u>	(176,250)

Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. The following details these items as they effect the governmental activities:

Debt repayment			75,000
----------------	--	--	--------

(Increase) decrease in proportionate share of net pension asset/liability reported in the statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds:

Employees' Retirement System			(13,325)
Length of Service Award Program			(40,175)

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (3,354)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,950

Change in Net Position of Governmental Activities \$ 300,588

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Net Position

Proprietary Funds

May 31, 2024

	Business-Type Activities		Total
	Sewer Fund	Water Fund	Business-Type Activities
ASSETS			
Cash and cash equivalents	\$ 666,839	\$ 174,127	\$ 840,966
Accounts receivable, net	66,098	36,569	102,667
Capital assets:			
Land and work in progress	571,802	232,331	804,133
Other capital assets, net of depreciation	11,077,146	2,228,297	13,305,443
TOTAL ASSETS	\$ 12,381,885	\$ 2,671,324	\$ 15,053,209
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources	\$ 43,553	\$ 23,397	\$ 66,950
LIABILITIES			
Accounts payable and other current liabilities	\$ 468,388	\$ 4,990	\$ 473,378
Accrued liabilities	2,556	10,254	12,810
Due to governmental funds	-	32,033	32,033
Due to employee retirement system	2,984	1,761	4,745
Bond anticipation note payable	8,376,516	-	8,376,516
Noncurrent liabilities:			
Due in one year	3,862	57,229	61,091
Due in more than one year	76,226	1,128,798	1,205,024
TOTAL LIABILITIES	\$ 8,930,532	\$ 1,235,065	\$ 10,165,597
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ 28,587	\$ 15,246	\$ 43,833
NET POSITION			
Net investment in capital assets	\$ 3,524,837	\$ 1,335,128	\$ 4,859,965
Restricted for:			
Repair reserve	65,429	174,127	239,556
Unrestricted	(123,947)	(64,845)	(188,792)
TOTAL NET POSITION	\$ 3,466,319	\$ 1,444,410	\$ 4,910,729

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the Year Ended May 31, 2024

	Business-Type Activities		Total
	Sewer	Water	Business-Type
	Fund	Fund	Activities
<u>Operating Revenues:</u>			
Charges for services	\$ 627,922	\$ 385,798	\$ 1,013,720
Grants and Aid	259,352	-	259,352
TOTAL OPERATING REVENUE	\$ 887,274	\$ 385,798	\$ 1,273,072
<u>Operating Expenses:</u>			
Salaries	\$ 146,507	\$ 85,886	\$ 232,393
Benefits	80,487	46,340	126,827
Purchased services	9,500	79,710	89,210
Depreciation	141,652	70,914	212,566
Other expenses	82,469	62,932	145,401
TOTAL OPERATING EXPENSE	\$ 460,615	\$ 345,782	\$ 806,397
OPERATING INCOME OR (LOSS)	\$ 426,659	\$ 40,016	\$ 466,675
<u>Nonoperating Revenue (Expense):</u>			
Interest	\$ 4,796	\$ 6,561	\$ 11,357
Sale of property and compensation for loss	-	896	896
Miscellaneous	-	78,529	78,529
Debt service interest	-	(24,934)	(24,934)
TOTAL NONOPERATING			
REVENUE (EXPENSE)	\$ 4,796	\$ 61,052	\$ 65,848
CHANGE IN NET POSITION	\$ 431,455	\$ 101,068	\$ 532,523
TOTAL NET POSITION, BEGINNING	3,034,864	1,343,342	4,378,206
TOTAL NET POSITION, ENDING	\$ 3,466,319	\$ 1,444,410	\$ 4,910,729

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Cash Flows

Proprietary Funds

For the Year Ended May 31, 2024

	Business-Type Activities		Total
	Sewer Fund	Water Fund	Business-Type Activities
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received for services provided	\$ 1,048,034	\$ 425,239	\$ 1,473,273
Cash payments to suppliers for goods and services	286,518	(139,322)	147,196
Cash payments to employees	(213,132)	(124,512)	(337,644)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,121,420	\$ 161,405	\$ 1,282,825
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Interfund borrowing	\$ -	\$ 32,033	\$ 32,033
Interest expense	-	(25,889)	(25,889)
(Purchase) or sale of property and equipment	(809,464)	(149,862)	(959,326)
BAN payoff	-	-	-
Principal payments on bonds	-	(52,500)	(52,500)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (809,464)	\$ (196,218)	\$ (1,005,682)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest income	\$ 4,796	\$ 6,561	\$ 11,357
Miscellaneous	-	78,529	78,529
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 4,796	\$ 85,090	\$ 89,886
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 316,752	\$ 50,277	\$ 367,029
CASH AND CASH EQUIVALENTS - BEGINNING	350,087	123,850	473,937
CASH AND CASH EQUIVALENTS - ENDING	\$ 666,839	\$ 174,127	\$ 840,966
OPERATING INCOME (LOSS)	\$ 426,659	\$ 40,016	\$ 466,675
ADJUSTMENT TO RECONCILE INCOME TO <u>NET CASH BY OPERATING ACTIVITIES -</u>			
Depreciation	\$ 141,652	\$ 70,914	\$ 212,566
(Increase) decrease in accounts receivable	160,760	39,441	200,201
(Increase) decrease in deferred outflow related to pension	10,610	5,614	16,224
Increase (decrease) in accounts payable and accrued liabilities	384,903	7,107	392,010
Increase (decrease) in deferred inflow related to pension	22,258	11,871	34,129
Increase (decrease) in net pension liability/asset	(25,422)	(13,558)	(38,980)
TOTAL ADJUSTMENTS	\$ 694,761	\$ 121,389	\$ 816,150
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,121,420	\$ 161,405	\$ 1,282,825

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

May 31, 2024

	Custodial Fund
ASSETS	
Cash and cash equivalents	<u>\$ 3,276</u>
TOTAL ASSETS	<u><u>\$ 3,276</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 3,276</u>
TOTAL NET POSITION	<u><u>\$ 3,276</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended May 31, 2024

	Custodial Funds
	<hr/>
ADDITIONS	
Miscellaneous	\$ 833
	<hr/>
TOTAL ADDITIONS	<hr/>
	\$ 833
	<hr/>
DEDUCTIONS	
Miscellaneous	\$ 50
	<hr/>
TOTAL DEDUCTIONS	<hr/>
	\$ 50
	<hr/>
Change in net position	\$ 783
NET POSITION - BEGINNING	<hr/>
	2,493
	<hr/>
NET POSITION - ENDING	<hr/>
	\$ 3,276
	<hr/>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Notes To Basic Financial Statements

May 31, 2024

I. Summary of Significant Accounting Policies:

The financial statements of the Village of Dundee, Yates County, New York 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 Village of Dundee, Yates County, New York is governed by its Charter, the Village Law and other general laws of the State of New York. The Board of Trustees is the legislative body responsible for the overall operations and the Mayor serves as chief executive officer.

The following basic services are provided: highway maintenance, sewer and water facilities, public safety, and recreational facilities and programs.

All governmental activities and functions performed for the Village of Dundee, Yates County, New York are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following:

1. The primary government which is the Village of Dundee, Yates County, New York;
2. Organizations for which the primary government is financially accountable, and;
3. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Village's reporting entity.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for Custodial Funds.

(I.) (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the Proprietary Fund Financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government –wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Village’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village. The comparison of direct expenses with program revenues identifies the extent to which governmental function is self-financing or draws from the general operating fund.

2. Fund Financial Statements

The emphasis in fund financial statements is on the major fund categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The Governmental Funds are accounted for on the “flow of current financial resources” measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The Proprietary Funds are accounted for on an “economic resources” measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Fund Reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

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

1. Major Governmental Funds

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

(I.) (Continued)

2. **Nonmajor Governmental Funds** – The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

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

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

b. **Proprietary Funds**

Are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is upon determination of the flow of economic resources. The following proprietary fund is utilized.

Enterprise Funds – are used to account for those operations that provide a service and are financed primarily by a user charge for that service. The Village's Enterprise Funds includes the Water Fund and Sewer Fund.

c. **Fiduciary Funds** - Fiduciary activities are those in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the Village-wide financial statements, because their resources do not belong to the Village, and are not available to be used.

Custodial Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the Village as agent for payroll or employee withholding.

3. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and Fiduciary Funds also use the accrual basis of accounting.

(I.) (Continued)

a. Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable- type grants, Village clerk fees and snow and ice reimbursements. The Village considers all revenues (with the exception of the expenditure driven grants) as available if collected within 90 days after year end. The expenditure driven grants are considered available if received within one year from the balance sheet date. Property taxes are recognized when taxes are received. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due and compensated absences which are recorded when due/paid.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the Village will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as deferred revenue.

b. Accrual

Proprietary and Fiduciary Funds are accounted for using the accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred regardless of the timing of cash inflows and outflows. Capital assets, the related debt and other long-term liabilities related to activities of the Proprietary and Fiduciary fund types are recorded within these funds.

Operating revenues and expenses generally result from the proprietary funds’ principal operations, providing services and producing and delivering goods. Non-operating revenues and expenses are reported as capital and related financing activities, noncapital financing activities, or investing activities which normally would not be reported as components of operating income.

(I.) (Continued)

C. **Assets, Liabilities, and Equity**

1. **Cash and Investments**

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

State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Village's service award program investments are reported at fair value.

2. **Statement of Cash Flows**

For the purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all unrestricted cash of those funds. The statement of cash flows is reported using the indirect method of reporting.

3. **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales tax and water fees.

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

4. **Inventory**

Inventory purchases in the General Fund are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

5. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

6. **Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Village. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

(I.) (Continued)

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost.

A capitalization threshold of \$5,000 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Class</u>	<u>Estimated Useful Life</u>
Buildings	40 Years
Sanitary Sewer System	40 Years
Machinery & Equipment	10 Years
Improvements; Parking Lots	10-20 Years
Infrastructure	40 Years

7. Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and due from other funds represents amounts due between different fund types (general, highway and non-major funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

8. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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 (expenses/expenditure) until then.

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

9. Length of Service Award Program (LOSAP) Obligations

The Village sponsors a separate LOSAP plan for volunteer firefighters. The Plan is designed and administered in accordance with Article 11A of the General Municipal Law of the State of New York. In accordance with these provisions, the grantor/rabbi trust accounts established to hold LOSAP assets are not legally protected from the Village's creditors. Accordingly, the Village's LOSAP plan is not within the scope of GASB 68. The Village's LOSAP pension obligations are actuarially determined using census data supplied by the Village and various assumptions in accordance with GASB Statement No. 27, *Accounting for Pensions for State and Local Employers*.

(I.) (Continued)

10. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the village-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

a. Compensatory Absences

1. Sick Days

The Village provides a day per month for each full time employee. The employee is allowed to accumulate up to 165 sick days.

2. Vacation

Employees accrue vacation leave based primarily on the number of year employed up to a maximum amount of 25 days a year, but may carry 5 days over to the succeeding year.

b. Other Benefits

Village employees participate in the New York State Employees' Retirement System.

In addition to providing pension benefits, the Village provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

11. Encumbrances

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the capital fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, village-wide capital improvement project and nonmajor funds.

12. **Equity Classifications**

a. **Government-Wide Statements**

Equity in government-wide and proprietary fund financial statements is classified as net position and displayed in three components:

1. **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted net position** - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enable legislation.
3. **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”. The Village reports an unrestricted net position deficit as a result of the unfunded LOSAP pension liability.

b. **Fund Balances – Governmental Funds**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
4. **Unassigned fund balance** – Amounts that are available for Village purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

(I.) (Continued)

c. The Board has passed the following policies that relate to GASB No. 54:

1. **Assigned fund balance** – The purchasing agent is responsible for all of the purchasing activities of the Village and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (Encumbrances at year-end will now be considered assigned funds.)

The Village Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis. (Appropriation of fund balance for ensuing year's budget)

2. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the Village Board and/or Village voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.

3. **Order of fund balance** – The Village's policy is to apply expenditures against nonspendable fund balance, restricted 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. Special revenue fund balances are classified as assigned, and any remaining fund balance amounts other than the General Fund are classified as restricted.

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

D. Revenues, Expenditures/Expenses

1. Revenues

Village real property taxes are levied annually no later than May 15th and become a lien on June 1. Taxes are collected during the period June 1 to July 1. For the periods July 2 to October 31 taxes are collected with penalties and interest.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

(I.) (Continued)

2. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:

Current (further classified by function)	\$ 67,890
Capital outlay	\$ 1,000

In the fund financial statements, governmental funds report expenditures of financial resources. Government-wide financial statements report expenses relating to use of economic resources.

E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. Advances between funds, as reported in the fund financial statements, can be offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

1. Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. **Interfund loan** – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. **Interfund services** – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. **Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. **Internal balances** – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position, except for the net residual amounts due between governmental funds.

(I.) (Continued)

- b. Internal activities** – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

G. New Accounting Standards

The Village has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At May 31, 2024, the Village implemented, if applicable, the following new standards issued by GASB:

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*.

GASB has issued Statement 96 *Subscription Based Information Technology*.

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SBITAS*.

H. Future Changes in Accounting Standards

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which will be effective for fiscal years beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, which will be effective for fiscal years beginning after June 15, 2023.

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

GASB has issued Statement 102, *Certain Risk Disclosures*, which will be effective for fiscal years beginning after June 15, 2024.

The Village is currently studying these statements and plans on adoption as required.

II. Changes in Accounting Principles

For the year ended May 31, 2024, the Village implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

III. Stewardship, Compliance and Accountability:

By its nature as a local government unit, the Village is subject to various federal, state and local laws and contractual regulations. An analysis of the Village's compliance with significant laws and regulations and demonstration of its stewardship over Village resources follows.

A. Budgetary Data

1. Budget Policies - The budget policies are as follows:

- a. No later than March 31, the budget officer submits a tentative budget to the Village Clerk for submission to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Board adopts the budget.
- c. All modifications of the budget must be approved by the Village Board. (However, the Administrator is authorized to transfer certain budgeted amounts within departments.)
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects which remain in effect for the life of the project.

2. Budget Basis of Accounting

Budget(s) are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

3. Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are those revenues raised for the special district special revenue funds.

B. Deposit and Investment Laws and Regulations

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 the date of acquisition.

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

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

IV. Detail Notes on All Funds and Account Groups:

A. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a specific policy for custodial credit risk, New York State statutes govern the Village's investment policies, as discussed previously in these notes.

The Village's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging Financial Institution	1,392,818
Total	\$ 1,392,818

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 included \$1,810,415 in the governmental funds, and \$3,276 in the fiduciary funds.

B. Fair Value Measurements – Investments

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

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

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term the Level 2 input must be observable for substantially the full term of the assets.

Level 3 – Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

General Investment Account: The carrying amount approximates fair value because of the short maturity of the instruments.

Exchange Traded Funds and Mutual Funds: Reported at current quoted fair values.

(IV.) (Continued)

Federal Agency Securities: Fixed income securities held by the Village, including bonds, are generally priced using pricing matrix models and quoted prices for identical or similar securities.

Pooled Investment Securities (Guaranteed Interest Account): The Village is a participant in a pooled investment account whose underlying securities are generally composed of corporate bonds, mutual funds and individual equity securities that trade on public markets. The pooled investment account overall value is calculated using quoted market prices for the underlying investments. The pool administrator allocates investment income, and accounts for contributions and withdrawals of each individual participant. The Village is provided a summary account statement on a quarterly basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table summarizes as of May 31, 2024, the Village's Fire Program Investments, and categorization with the fair value measurement hierarchy:

	<u>Fair Value</u>
General Investment Account	\$ 1,002,117
Total	<u>\$ 1,002,117</u>

C. Investment Pool

The Village participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year-end are \$417,770 which consisted of \$61,454 in repurchase agreements, \$298,873 in U.S. Treasury Securities, \$7,311 in FDIC insured deposits and \$50,132 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Description of Investment</u>
General Fund	\$ 351,380	\$ 351,380	CLASS
Enterprise Water Fund	\$ 66,390	\$ 66,390	CLASS

D. Receivables

Receivables at May 31, 2024 consisted of the following, which are stated at net realizable value. Village management has deemed the amounts to be fully collectible:

<u>Description</u>	<u>Amount</u>
<u>Business-Type Activities:</u>	
Resident Water/Sewer Charges	\$ 102,667
Total Receivables	<u>\$ 102,667</u>

(IV.) (Continued)

E. Interfund Revenues and Expenditures

Interfund Revenues and Expenditures at May 31, 2024 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 32,033	\$ -	\$ 6,932	\$ -
Enterprise Water Fund	-	32,033	-	-
Non Major Funds	-	-	-	6,932
Total	<u>\$ 32,033</u>	<u>\$ 32,033</u>	<u>\$ 6,932</u>	<u>\$ 6,932</u>

F. Changes In Capital Assets

1. Governmental Activities

A summary of governmental activities changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>6/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5/31/24</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 70,209	\$ -	\$ -	\$ 70,209
Work in progress	-	6,932	6,932	-
Total Nondepreciable	\$ 70,209	\$ 6,932	\$ 6,932	\$ 70,209
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 1,380,425	\$ 5,041	\$ -	\$ 1,385,466
Machinery and equipment	3,233,403	66,103	157,510	3,141,996
Infrastructure	2,805,583	69,192	-	2,874,775
Total Depreciated Assets	\$ 7,419,411	\$ 140,336	\$ 157,510	\$ 7,402,237
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 886,535	\$ 42,798	\$ -	\$ 929,333
Machinery and equipment	2,424,440	177,347	157,510	2,444,277
Infrastructure	468,628	96,441	-	565,069
Total Accumulated Depreciation	\$ 3,779,603	\$ 316,586	\$ 157,510	\$ 3,938,679
Total Capital Assets Depreciated, Net of Accumulated Depreciation	\$ 3,639,808	\$ (176,250)	\$ -	\$ 3,463,558
Total Capital Assets	<u>\$ 3,710,017</u>	<u>\$ (169,318)</u>	<u>\$ 6,932</u>	<u>\$ 3,533,767</u>

Depreciation expense for the period was as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>
General Government	\$ 14,554
Public Safety	169,755
Transportation	132,277
Total Depreciation Expense	<u>\$ 316,586</u>

(IV.) (Continued)

2. **Business-Type Activities**

A summary of business-type activities changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>6/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5/31/24</u>
<u>Business-Type Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 111,507	\$ -	\$ -	\$ 111,507
Work in progress	783,093	7,918,545	8,009,012	692,626
<i>Total Nondepreciable</i>	<u>\$ 894,600</u>	<u>\$ 7,918,545</u>	<u>\$ 8,009,012</u>	<u>\$ 804,133</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 1,948,945	\$ 7,446,607	\$ -	\$ 9,395,552
Machinery and equipment	387,690	656,915	20,835	1,023,770
Infrastructure	4,315,941	-	-	4,315,941
<i>Total Depreciated Assets</i>	<u>\$ 6,652,576</u>	<u>\$ 8,103,522</u>	<u>\$ 20,835</u>	<u>\$ 14,735,263</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 539,053	\$ 78,247	\$ -	\$ 617,300
Machinery and equipment	170,034	26,420	20,835	175,619
Infrastructure	529,002	107,899	-	636,901
<i>Total Accumulated Depreciation</i>	<u>\$ 1,238,089</u>	<u>\$ 212,566</u>	<u>\$ 20,835</u>	<u>\$ 1,429,820</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 5,414,487</u>	<u>\$ 7,890,956</u>	<u>\$ -</u>	<u>\$ 13,305,443</u>
Total Capital Assets	<u>\$ 6,309,087</u>	<u>\$ 15,809,501</u>	<u>\$ 8,009,012</u>	<u>\$ 14,109,576</u>

Depreciation expense totaling \$212,566 was charged to community services.

G. **Deferred Inflows/Outflows of Resources**

Deferred inflows/outflows of resources as of May 31, 2024 are as follows:

	<u>Deferred</u> <u>Outflows</u>	<u>Deferred</u> <u>Inflows</u>
Governmental - LOSAP	\$ 259,394	\$ 523,100
Governmental - Pension	78,734	51,456
Business-Type - Pension	66,950	43,833
Total	<u>\$ 405,078</u>	<u>\$ 618,389</u>

H. **Short-Term Debt**

Transactions in short-term debt for the year are summarized below:

	<u>Original</u> <u>Amount</u>	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>6/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5/31/24</u>
BAN-EFC	\$8,376,516	9/26/2025	0.00%	<u>\$ 1,323,683</u>	<u>\$ 7,052,833</u>	<u>\$ -</u>	<u>\$ 8,376,516</u>

(IV.) (Continued)

I. Long-Term Debt

At May 31, 2024 the total outstanding obligations of the Village aggregated \$3,153,541 as follows:

1. **Serial Bonds** - The Village, borrows money in order to acquire land or high cost equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the Village. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

Interest Paid	\$ 37,177
Less: Interest Accrued in the Prior Year	(18,962)
Plus: Interest Accrued in the Current Year	13,057
Total Long-Term Interest Expense	\$ 31,272

2. **Other Long-Term Obligations**

In addition to long-term bonded debt the Village had the following other obligations:

Compensated Absences - represents the value of earned and unused vacation leave and compensatory time.

Net Pension Liability – represents long-term pension liability.

LOSAP – Represents the Village’s portion of LOSAP obligation.

3. **Summary of Debt** - The following is a summary of obligations outstanding at May 31, 2024:

	Balance 6/1/23	Additions	Deletions	Balance 5/31/24	Due Within One Year
<u>Governmental Activities:</u>					
Serial Bonds	\$ 630,000	\$ -	\$ 75,000	\$ 555,000	\$ 75,000
Compensated Absences	48,820	3,354	-	52,174	7,826
Net Pension Liability	135,002	-	45,759	89,243	-
LOSAP	1,148,935	42,074	-	1,191,009	-
Total Governmental Activities	\$ 1,962,757	\$ 45,428	\$ 120,759	\$ 1,887,426	\$ 82,826
<u>Business-Type Activities:</u>					
Serial Bonds	\$ 1,178,000	\$ -	\$ 52,500	\$ 1,125,500	\$ 52,500
Compensated Absences	57,276	7,316	-	64,592	8,591
Net Pension Liability	115,003	-	38,980	76,023	-
Total Business-Type Activities	\$ 1,350,279	\$ 7,316	\$ 91,480	\$ 1,266,115	\$ 61,091
Total Long-Term Obligations	\$ 3,313,036	\$ 52,744	\$ 212,239	\$ 3,153,541	\$ 143,917

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

(IV.) (Continued)

4. **Debt Maturity Schedule** - The following is a statement of bonds with corresponding maturity schedules:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 5/31/24</u>
<u>Governmental Activities:</u>					
<u>Serial Bonds -</u>					
Improvement Project	\$ 700,000	2022	2031	1%-2%	\$ 555,000
<u>Business-Type Activities:</u>					
<u>Serial Bonds -</u>					
Water Tower	\$ 285,000	2016	2025	3.80%	28,500
Water Improvements	\$ 1,234,000	2019	2056	2.13%	1,097,000
Total					<u>\$ 1,680,500</u>

5. The following table summarizes the Village's future debt service requirements as of May 31, 2024:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Serial Bonds</u>		<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 75,000	\$ 10,538	\$ 52,500	\$ 24,394
2026	75,000	9,413	25,000	22,801
2027	75,000	8,100	25,000	22,270
2028	80,000	6,600	26,000	21,739
2029	80,000	5,000	26,000	21,186
2030-34	170,000	5,100	141,000	97,283
2035-39	-	-	157,000	81,665
2040-44	-	-	173,000	64,303
2045-49	-	-	193,000	45,072
2050-54	-	-	215,000	23,694
2055-56	-	-	92,000	2,933
Total	<u>\$ 555,000</u>	<u>\$ 44,751</u>	<u>\$ 1,125,500</u>	<u>\$ 427,340</u>

J. **Fund Balances/Net Position**

1. **Fund Balances**

a. **Nonspendable**

The Village has prepaid various items and the cash is no longer available therefore those funds are nonspendable.

(IV.) (Continued)

b. **Restricted**

Currently, New York State laws still use the terminology reserves. The Village currently utilizes the following reserves which are classified as restricted funds:

1. **Capital Reserves –**

General Fund

Equipment - established to finance the cost of acquisition of capital equipment. The balance of this reserve totaled \$7,790 at May 31, 2024.

Fire Building – established for repairs and maintenance of the fire buildings. The balance of this reserve totaled \$68,209 at May 31, 2024.

Parks Improvement - established for the improvements in parks. The balance of this reserve totaled \$23,778 at May 31, 2024.

Parking Lot - established for parking lot improvements. The balance of this reserve totaled \$21,105 at May 31, 2024.

Building - established for repairs and maintenance of the Village buildings. The balance of this reserve totaled \$69,526 at May 31, 2024.

Fire Truck – established to finance the cost of acquisition of fire trucks. The balance of this reserve totaled \$523,909 at May 31, 2024.

Historical Building – established to finance the cost of repairs and maintenance of the Village’s Historical Building. The balance of this reserve totaled \$17,021 at May 31, 2024.

Sewer Fund

Sewer Equipment - established to finance the cost of acquisition of equipment for the Sewer Department. The balance of this reserve totaled \$65,429 at May 31, 2024.

Water Fund

Water Equipment - established to finance the cost of acquisition of equipment for the Sewer Department. The balance of this reserve totaled \$174,127 at May 31, 2024.

2. **Repair Reserve** - established to finance general repairs. The balance of this reserve totaled \$21,677 at May 31, 2024.

(IV.) (Continued)

3. **Reserve for LOSAP** – In accordance with Article 11A of the General Municipal Law of the State of New York the Village sponsors a Length of Service Award Program (LOSAP). In accordance with these provisions, the grantor/rabbi trust accounts established to hold LOSAP plan assets are considered restricted. The balance totaled \$1,002,117 as of May 31, 2024.

c. **Assigned**

The Village has the following assigned funds:

- General Fund –
1. Appropriated for Taxes
 2. Encumbrances

Encumbrances represent purchase commitments made by the Village’s purchasing agent through their authorization of a purchase order prior to year end. The Village assignment is based on the functional level of expenditures.

Management has determined that amounts in excess of \$5,000 are considered significant and are summarized below:

The General Fund reported \$6,423 in encumbrances for public safety and \$175,982 for transportation.

d. **Unassigned**

Unassigned funds include the residual classification for the Village’s general fund and all spendable amounts not contained in other classifications.

The following table summarizes the Village’s fund balance according to the descriptions above:

<u>FUND BALANCE:</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Restricted -</u>			
Capital reserve	\$ 731,338	\$ -	\$ 731,338
Repair reserve	21,677	-	21,677
Length of service award program	1,002,117	-	1,002,117
Cemetery	-	55,283	55,283
Total Restricted	\$ 1,755,132	\$ 55,283	\$ 1,810,415
<u>Assigned -</u>			
Appropriated for taxes	\$ 70,068	\$ -	\$ 70,068
Public safety	6,423	-	6,423
Transportation	175,982	-	175,982
Total Assigned	\$ 252,473	\$ -	\$ 252,473
<u>Unassigned</u>	\$ 219,925	\$ -	\$ 219,925
TOTAL FUND BALANCE	\$ 2,227,530	\$ 55,283	\$ 2,282,813

(IV.) (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, the Village considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed, unless the Village has provided otherwise in its commitment actions.

V. **General Information and Pension Plans:**

A. **General Information About Pension Plan**

1. **Plan Description**

The Village participates in the New York State Local Employees' Retirement System (ERS) which is collectively referred to as New York State and Local Retirement Systems (the System). This is a cost sharing multiple employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (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, New York 12244.

2. **Benefits Provided**

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

Tier 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.

(V.) (Continued)

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.

Tier 3, 4, 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 five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 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 five 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 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 five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 for ERS members.

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 five or more years of service can retire as early as 55 with reduced benefits.

(V.) (Continued)

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary.

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS 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.

(V.) (Continued)

3. 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 (ERS) or January 9, 2010 (PFRS) 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 NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the current year was equal to 100 percent of the contributions required, and were as follows:

<u>Contributions</u>	<u>ERS</u>
2024	\$ 49,206

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At May 31, 2024, the Village reported a liability of \$165,266 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2024, the Village's proportion was 0.0011224 percent for ERS.

For the year ended May 31, 2024 the Village recognized pension expense of \$76,120. At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental</u>		<u>Business-Type</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 28,745	\$ 2,433	\$ 24,487	\$ 2,073
Changes of assumptions	33,741	-	28,742	-
Net difference between projected and actual earnings on pension plan investments	-	43,595	-	37,137
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	10,538	5,428	8,976	4,623
Subtotal	\$ 73,024	\$ 51,456	\$ 62,205	\$ 43,833
Village's contributions subsequent to the measurement date	5,710	-	4,745	-
Grand Total	\$ 78,734	\$ 51,456	\$ 66,950	\$ 43,833

(V.) (Continued)

\$5,710 and \$4,745 was reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended May 31, 2024, for the governmental and business-type funds, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>ERS</u>
2025	\$ (25,192)
2026	35,694
2027	47,029
2028	(17,591)
Total	\$ 39,940

1. Actuarial Assumptions

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

	<u>ERS</u>
Interest rate	5.90%
Salary scale	4.40%
Inflation rate	2.90%
COLA's	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2022.

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

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

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.00%
International equity	6.65%
Private equity	7.25%
Real estate	4.60%
Opportunistic portfolios	5.25%
Real assets	5.79%
Cash	0.25%
Domestic fixed income securities	1.50%
Credit	5.40%

(V.) (Continued)

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

2. **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 Systems' 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.

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

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

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (519,613)	\$ (165,266)	\$ 130,687

4. **Pension Plan Fiduciary Net Position**

The components of the current year net pension liability of the employers as of the March 31, 2024, were as follows:

	<u>(In Thousands)</u>
	<u>ERS</u>
Employers' total pension liability	\$ 240,696,851
Plan net position	225,972,801
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%

VI. **Fire Protection District Service Award Program**

The Village of Dundee, Yates County, New York's financial statements are for the year ended May 31, 2024. The information contained in this note is based on information for the Village of Dundee – Dundee Fire Department Service Award for the Program year ending June 30, 2023 which is the most recent information available.

(VI.) (Continued)

A. **General Information About the Pension Plan**

1. **Plan Description**

The Village of Dundee established a defined benefit Service Award Program (referred to as a “LOSAP” – Length of Service Award Program – under Section 457(e)(11) of the Internal Revenue Code) effective July 1, 2006 for the active volunteer firefighter members of the Dundee Fire Department/Dundee Ambulance Squad. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village of Dundee is the Sponsor for the Program and the Program administrator.

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

2. **Benefits Provided**

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

3. **Participants Covered By the Benefit Term**

At the June 30, 2023 measurement date, the following participants were covered by the benefit terms:

	Dundee Fire
Active Participants	38
Vested-Terminated	10
Retired and Beneficiaries	3
Total	<u>51</u>

4. **Contributions**

New York State General Municipal Law §219(d) requires the Village Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village Board.

(VI.) (Continued)

5. **Trust Assets**

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

B. **Measurement of Total Pension Liability**

The total pension liability at June 30, 2023 measurement date was determined using an actuarial valuation as of that date.

1. **Actuarial Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement;

Actuarial Cost Method:	Entry Age Normal
Inflation:	0.00%
Salary Scale:	None assumed

Mortality rates were based on the RP-2000 projected to 2030.

2. **Discount Rate**

The discount rate used to measure the total pension liability was 3.86% which is based on the 20-year AA general obligation bond rate as of June 30, 2023.

C. **Changes in the Total Pension Liability**

	Dundee <u>Fire</u>
Balance as of 7/1/22 measurement date	\$ 1,148,935
Service costs	\$ 43,493
Interest	44,127
Changes of assumptions or other inputs	(40,272)
Differences between expected and actual experiences	10,001
Benefit payment	(15,275)
Net changes	\$ 42,074
Balance as of 6/30/2023 measurement date	<u>\$ 1,191,009</u>

(VI.) (Continued)

1. **Sensitivity of the Total Pension Liability To Changes in the Discount Rate**

The following presents the total pension liability of the Village as of the June 30, 2023 measurement date, calculated using the discount rate of 3.86 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.86 percent) or 1-percentage point higher (4.86 percent) than the current rate:

Dundee Fire Department			
	1% Decrease	Current	1% Increase
	<u>(2.86%)</u>	<u>(3.86%)</u>	<u>(4.86%)</u>
Total Pension Liability	\$ 1,456,765	\$ 1,191,009	\$ 987,299

D. **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

For the year ended May 31, 2024, the Village recognized pension expense of \$55,450 for the Dundee Fire Department.

	Dundee
	<u>Fire</u>
Service costs	\$ 43,493
Interest on total pension liability	44,127
Changes of assumptions or other inputs	(24,938)
Differences between expected and actual experiences	(7,232)
Total Pension Expense	<u>\$ 55,450</u>

As May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experiences	\$ 10,474	\$ 37,645
Changes of assumptions or other inputs	248,920	485,455
Total	<u>\$ 259,394</u>	<u>\$ 523,100</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	
2024	\$ (32,170)
2025	(32,166)
2026	(16,032)
2027	(23,418)
2028	(46,706)
Thereafter	(113,214)
Total	<u>\$ (263,706)</u>

VII. Risk Management

A. General Information

The Village is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

VIII. Commitments and Contingencies

A. Litigation

There is no litigation pending against the Village as of the balance sheet date.

B. Federal and State Funded Programs

The Village participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

IX. Related Parties

The son of the Mayor is employed by the Village. The Clerk-Treasurer is the daughter of the Village's insurance agent. Although our examination revealed no irregularities this situation should continually be monitored.

X. Subsequent Events

On November 7, 2024, the Village issued a Statutory Installment Bond in the amount of \$8,430,000 at an interest rate of 2.0%.

Required Supplemental Information
VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Schedule of the Village's Proportionate Share of the Net Pension Liability
(Unaudited)
For the Year Ended May 31, 2024

NYSERS Pension Plan								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net pension liability (assets)	0.0011%	0.0012%	0.0013%	0.0009%	0.0010%	0.0011%	0.0011%	0.0011%
Proportionate share of the net pension liability (assets)	\$ 165,266	\$ 250,005	\$ (103,763)	\$ 932	\$ 255,986	\$ 76,518	\$ 36,225	\$ 100,546
Covered-employee payroll	\$ 405,083	\$ 373,148	\$ 346,800	\$ 349,536	\$ 324,503	\$ 325,281	\$ 326,278	\$ 358,356
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	40.798%	66.999%	-29.920%	0.267%	78.886%	23.524%	11.102%	28.058%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	90.68%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Schedule of Village Contributions
(Unaudited)
For the Year Ended May 31, 2024

	<u>NYSERS Pension Plan</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>
Contractually required contributions	\$ 49,206	\$ 39,702	\$ 50,777	\$ 46,875	\$ 42,041	\$ 41,714	\$ 43,498	\$ 50,617
Contributions in relation to the contractually required contribution	<u>(49,206)</u>	<u>(39,702)</u>	<u>(50,777)</u>	<u>(46,875)</u>	<u>(42,041)</u>	<u>(41,714)</u>	<u>(43,498)</u>	<u>(50,617)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 405,083	\$ 373,148	\$ 346,800	\$ 349,536	\$ 324,503	\$ 325,281	\$ 326,278	\$ 358,356
Contributions as a percentage of covered-employee payroll	12.15%	10.64%	14.64%	13.41%	12.96%	12.82%	13.33%	14.12%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types
(Unaudited)
For the Year Ended May 31, 2024

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 755,171	\$ 755,171	\$ 755,525	\$ -	\$ 354
Non-property taxes	33,000	42,150	93,230	-	51,080
Departmental income	22,280	22,280	18,841	-	(3,439)
Intergovernmental charges	387,408	393,088	392,915	-	(173)
Use of money and property	5,950	350	57,846	-	57,496
Licenses and permits	2,850	2,850	6,002	-	3,152
Sale of property and compensation for loss	2,931	27,715	38,916	-	11,201
Miscellaneous	-	13,829	15,629	-	1,800
Interfund revenues	65,000	-	-	-	-
State and county aid	83,569	90,924	93,578	-	2,654
Federal aid	-	-	11,259	-	11,259
Total Revenues	\$ 1,358,159	\$ 1,348,357	\$ 1,483,741	\$ -	\$ 135,384
Expenditures:					
Current:					
General government support	\$ 125,272	\$ 135,520	\$ 127,987	\$ -	\$ 7,533
Public safety	190,884	271,948	200,496	6,423	65,029
Transportation	625,805	626,683	389,827	175,982	60,874
Economic assistance and development	4,615	4,647	3,455	-	1,192
Culture and recreation	45,385	39,785	29,145	-	10,640
Home and community services	81,950	78,292	52,559	-	25,733
Employee benefits	216,563	218,291	145,133	-	73,158
Debt Service:					
Debt service - principal	75,000	75,000	75,000	-	-
Debt service - interest and other charges	11,288	11,288	11,288	-	-
Total Expenditures	\$ 1,376,762	\$ 1,461,454	\$ 1,034,890	\$ 182,405	\$ 244,159
Excess (deficiency) of revenue over expenditures	\$ (18,603)	\$ (113,097)	\$ 448,851	\$ (182,405)	\$ 379,543
Other Financing Sources and Uses:					
Transfers - in	\$ -	\$ -	\$ 6,932	\$ -	\$ 6,932
Transfers - out	(242,500)	(187,147)	-	-	187,147
Total Other Financing Sources and Uses	\$ (242,500)	\$ (187,147)	\$ 6,932	\$ -	\$ 194,079
Net change in fund balances	\$ (261,103)	\$ (300,244)	\$ 455,783	\$ (182,405)	\$ 573,622
Fund Balance - Beginning	1,771,747	1,771,747	1,771,747	-	-
Fund Balance - Ending	\$ 1,510,644	\$ 1,471,503	\$ 2,227,530	\$ (182,405)	\$ 573,622

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

(See Independent Auditors' Report)

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

May 31, 2024

	Capital Projects Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ -	\$ 55,283	\$ 55,283
Total Assets	<u>\$ -</u>	<u>\$ 55,283</u>	<u>\$ 55,283</u>
Fund Balances			
Restricted	\$ -	\$ 55,283	\$ 55,283
Total Fund Balances	<u>\$ -</u>	<u>\$ 55,283</u>	<u>\$ 55,283</u>

VILLAGE OF DUNDEE, YATES COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended May 31, 2024

	Capital Projects Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Governmental Funds
Revenues:			
Use of money and property	\$ -	\$ 2,576	\$ 2,576
Miscellaneous	2,315	-	2,315
Total Revenues	<u>\$ 2,315</u>	<u>\$ 2,576</u>	<u>\$ 4,891</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 2,315</u>	<u>\$ 2,576</u>	<u>\$ 4,891</u>
Other Financing Sources and Uses:			
Transfers - out	<u>\$ (6,932)</u>	<u>\$ -</u>	<u>\$ (6,932)</u>
Total Other Financing Sources and Uses	<u>\$ (6,932)</u>	<u>\$ -</u>	<u>\$ (6,932)</u>
Net change in fund balances	\$ (4,617)	\$ 2,576	\$ (2,041)
Fund Balance - Beginning	<u>4,617</u>	<u>52,707</u>	<u>57,324</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 55,283</u></u>	<u><u>\$ 55,283</u></u>



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**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***

Independent Auditors' Report

To the Board of Trustees
The Village of Dundee
Yates County, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Dundee, Yates County, New York as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
February 19, 2025