



INCORPORATED VILLAGE OF PLANDOME HEIGHTS

MANHASSET, NEW YORK

FINANCIAL STATEMENTS

MAY 31, 2026

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Incorporated Village of Plandome Heights
Manhasset, New York

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of Plandome Heights, as of and for the year ended May 31, 2026, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Plandome Heights' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Plandome Heights, as of May 31, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Incorporated Village of Plandome Heights' 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporated Village of Plandome Heights' 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 Incorporated Village of Plandome Heights' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAs, P.C.

Hauppauge, New York

August 3, 2026

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Management's Discussion and Analysis (Unaudited)

The Board of Trustees of the Incorporated Village of Plandome Heights (the "Village") would like to offer readers of the Village's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended May 31, 2026. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a long-term view of the Village's finances. Fund financial statements report how Village activities were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail by providing information about the Village's most significant funds. The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by the required supplementary information, which supports the financial statements with a comparison of the Village's General Fund budget for the year.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position increased by \$87,297 for the fiscal year ended May 31, 2026. A condensed summary of the Village's Statement of Net Position for the current year is detailed below.

Condensed Statement of Net Position – Governmental Activities

	<u>May 31, 2026</u>	<u>May 31, 2025</u>
Assets		
Current and Other Assets	\$ 1,240,688	\$ 1,110,870
Capital Assets (net)	<u>708,908</u>	<u>707,543</u>
Total Assets	<u>1,949,596</u>	<u>1,818,413</u>
Liabilities		
Current and Other Liabilities	51,259	65,514
Long-Term Liabilities	<u>61,732</u>	<u>3,591</u>
Total Liabilities	<u>112,991</u>	<u>69,105</u>
Net Position		
Net Investment in Capital Assets	647,176	703,952
Unrestricted	<u>1,189,429</u>	<u>1,045,356</u>
Total Net Position	<u>\$ 1,836,605</u>	<u>\$ 1,749,308</u>

Net investment in capital assets is the Village's investment in capital assets such as furnishings and equipment, miscellaneous structures, infrastructure, and intangible right-of-use assets reduced by accumulated depreciation/amortization and related liabilities. This figure also includes land, which is not depreciated.

Change in Net Position

The Statement of Activities reports the results of the current year's operations and the effect on net position in the accompanying financial statements. A summary of change in net position from operating results is shown below.

	For the Years Ended	
	<u>May 31, 2026</u>	<u>May 31, 2025</u>
Revenues		
Program Revenues:		
Fines, Fees and Charges for Services	\$ 181,164	\$ 133,602
Operating Grants and Contributions	-	53,079
General Revenues:		
Real Property Taxes and Related Tax Items	408,057	382,580
Non Property Tax Items	38,682	32,051
Other Revenues	68,491	70,393
Total Revenues	<u>696,394</u>	<u>671,705</u>
Expenses		
Governmental Activities:		
General Government Support	250,720	256,916
Public Safety	67,872	69,992
Transportation	96,770	99,426
Culture and Recreation	12,969	12,874
Home and Community Services	180,766	189,079
Total Expenses	<u>609,097</u>	<u>628,287</u>
Change in Net Position	87,297	43,418
Net Position - Beginning of Year	<u>1,749,308</u>	<u>1,705,890</u>
Net Position - End of Year	<u>\$ 1,836,605</u>	<u>\$ 1,749,308</u>

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

The Village had an excess of revenues over expenses of \$87,297. No significant individual economic factor affected the results.

The Village had an increase in total revenue from the prior year of \$24,689. The Village saw an increase in building permits during the fiscal year in comparison to the prior year due to the increase in development projects in the Village.

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund balance increased by \$142,242 to an ending fund balance of \$1,159,829. Of this amount, \$961,000 is assigned for future capital projects under the Village's capital plan and \$16,600 has been assigned to the subsequent year budget.

The Capital Projects Fund balance increased by \$209 to an ending fund balance \$21,226. The entirety of the fund balance is assigned for future road projects.

BUDGETARY ANALYSIS

No variances existed between the original and final budget amounts for the General Fund.

The following variances exist between the final budget and actual results for the year ended May 31, 2026:

Revenues:

- Actual revenues exceeded budgeted amounts by \$138,936.
- Actual revenue from departmental income was \$17,609 higher than budgeted mainly due to an increase in zoning fees. The number of high-value and large-scale projects that occurred during the year were more than anticipated, resulting in increased fees.
- Actual revenue from use of money and property was \$30,462 higher than budgeted due to higher than anticipated interest earnings on the Village's certificates of deposit and NYCLASS accounts.
- Actual revenue from licenses and permits was \$89,124 higher than budgeted mainly due to three large building permits being issued in the Village during the year ranging from approximately \$25,000 to \$50,000.

Expenditures:

- Actual expenditures were \$25,306 less than budgeted.

These variations from budgeted amounts are not expected to affect future services or liquidity.

A detailed schedule showing the budgeted amounts compared to the Village's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Village's investment in capital assets as of May 31, 2026 totaled \$708,908 (net of accumulated depreciation and amortization). The Village acquired an intangible right-of-use asset for \$83,333 and disposed of an intangible right-of-use asset for \$65,551. As of May 31, 2026, the Village had no long-term debt.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The current economic conditions of the Village mirror those of the rest of the region. The Village has been diligent in containing expenses while continuing to provide efficient services to the residents.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Incorporated Village of Plandome Heights
Kenneth Riscica - Mayor
37 Orchard Street
Manhasset, New York 11030

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statement of Net Position
May 31, 2026

Assets

Cash and Cash Equivalents	\$ 1,204,734
Accounts Receivable	24,580
Taxes Receivable	1,749
Due from Other Governments	3,000
Prepaid Expenses	6,625
Capital Assets (net)	<u>708,908</u>
Total Assets	<u>1,949,596</u>

Liabilities

Accounts Payable	49,340
Accrued Liabilities	1,919
Long-term Liabilities:	
Due within one year:	
Lease Liability	27,309
Due in more than one year:	
Lease Liability	<u>34,423</u>
Total Liabilities	<u>112,991</u>

Net Position

Net Investment in Capital Assets	647,176
Unrestricted	<u>1,189,429</u>
Total Net Position	<u>\$ 1,836,605</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statement of Activities
For the Year Ended May 31, 2026

Functions/Programs	Expenses	Program Revenues			Net (Expense) / Revenue
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government Support	\$ 250,720	\$ 1,431	\$ -	\$ -	\$ (249,289)
Public Safety	67,872	154,124	-	-	86,252
Transportation	96,770	-	-	-	(96,770)
Culture and Recreation	12,969	-	-	-	(12,969)
Home and Community Services	180,766	25,609	-	-	(155,157)
Total Governmental Activities	<u>\$ 609,097</u>	<u>\$ 181,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(427,933)</u>
General Revenues:					
					408,057
Real Property Taxes and Related Tax Items					38,682
Non Property Tax Items					46,671
Use of Money and Property					157
Minor Sales					21,663
State and Local Aid					
					<u>515,230</u>
					87,297
Total General Revenues					
					<u>1,749,308</u>
Change in Net Position					
Net Position - Beginning of Year					<u>1,749,308</u>
Net Position - End of Year					<u>\$ 1,836,605</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Balance Sheets
Governmental Funds
May 31, 2026

Assets	General	Capital Projects	Total
Cash and Cash Equivalents	\$ 1,183,508	\$ 21,226	\$ 1,204,734
Accounts Receivable	24,580	-	24,580
Taxes Receivable	1,749	-	1,749
Due from Other Governments	3,000	-	3,000
Total Assets	\$ 1,212,837	\$ 21,226	\$ 1,234,063
Liabilities, Fund Balance, and Deferred Inflows of Resources			
Liabilities:			
Accounts Payable	\$ 49,340	\$ -	\$ 49,340
Accrued Liabilities	1,919	-	1,919
Total Liabilities	51,259	-	51,259
Deferred Inflows of Resources			
Real Property Taxes	1,749	-	1,749
Total Deferred Inflows of Resources	1,749	-	1,749
Fund Balance:			
Assigned	977,600	21,226	998,826
Unassigned	182,229	-	182,229
Total Fund Balance	1,159,829	21,226	1,181,055
Total Liabilities, Fund Balance, and Deferred Inflows of Resources	\$ 1,212,837	\$ 21,226	\$ 1,234,063

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Reconciliation of the Governmental Funds Balance Sheets
to the Statement of Net Position
As of May 31, 2026

Total Fund Balance - Governmental Funds	\$ 1,181,055
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This amount differs from the amount of net position in the Statement of Net Position due to the following:

Revenues that are earned and measurable but not available to provide financial resources are deferred in the fund statements, but are recognized as revenue in the government-wide statements and are added.	1,749
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Certain amounts for prepaid expenses are included in the government-wide financial statements as assets and are added.	6,625
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Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation and amortization.	708,908
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Long-term liabilities for operating leases are not due and payable in the current period and accordingly are not reported in the funds; however, these liabilities are included in the Statement of Net Position.	<u>(61,732)</u>
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Total Net Position	<u><u>\$ 1,836,605</u></u>
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INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statements of Revenues, Expenditures and Change in Fund Balances
Governmental Funds
For the Year Ended May 31, 2026

	General	Capital Projects	Total
Revenues:			
Real Property Taxes	\$ 404,660	\$ -	\$ 404,660
Real Property Tax Items	1,648	-	1,648
Non Property Tax Items	38,682	-	38,682
Departmental Income	25,609	-	25,609
Use of Money and Property	46,462	209	46,671
Licenses and Permits	154,124	-	154,124
Fines and Forfeitures	1,431	-	1,431
Minor Sales	157	-	157
State and Local Aid	21,663	-	21,663
Total Revenues	694,436	209	694,645
Expenditures:			
General Government Support	227,071	-	227,071
Public Safety	61,418	-	61,418
Transportation	41,840	-	41,840
Culture and Recreation	12,825	-	12,825
Home and Community Services	180,766	-	180,766
Employee Benefits	28,274	-	28,274
Total Expenditures	552,194	-	552,194
Net Change in Fund Balances	142,242	209	142,451
Fund Balances - Beginning of Year	1,017,587	21,017	1,038,604
Fund Balances - End of Year	<u>\$ 1,159,829</u>	<u>\$ 21,226</u>	<u>\$ 1,181,055</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Reconciliation of the Statements of Revenues, Expenditures and Change
in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended May 31, 2026

Net Change in Fund Balances for Total Governmental Funds	\$ 142,451
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This amount differs from the change in net position in the Statement of Activities due to the following:

Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation or amortization expense.	(81,968)
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Revenues are recorded in the governmental fund when they become susceptible to accrual, that is when they are earned, measurable and available to provide current financial resources. In the Statement of Activities, revenues are recognized when they are earned and measurable, regardless of when they become available.	1,749
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Expenditures for certain insurance premiums are recorded in the governmental funds when the payments are due. In the Statement of Activities, these costs are allocated over the policy period that they pertain to.	(127)
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Certain expenses related to operating lease liabilities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	<u>25,192</u>
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Change in Net Position of Governmental Activities in the Statement of Activities	<u><u>\$ 87,297</u></u>
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INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

The Incorporated Village of Plandome Heights (the "Village"), which was established in 1929, is governed by local village law, general laws of the State of New York, and various local laws. The Board of Trustees is the legislative body responsible for overall operations; the Mayor serves as Chief Executive Officer, and the Clerk/Treasurer serves as Chief Fiscal Officer.

The following basic services are provided: roads and highways, building department, general government, village justice court, parks and recreation, and sanitation.

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

The financial reporting entity consists of (a) the primary government, which is the Village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement Numbers 14, 39 and 61.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement Numbers 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability.

B. BASIS OF PRESENTATION

1. Government-wide Financial Statements:

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Village. Any fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Village are reported in three categories: 1) fines, fees and charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

Certain eliminations have been made as prescribed by GASB Statement Number 34 in regard to interfund activities, payables and receivables. All interfund balances in the Statement of Net Position have been eliminated.

2. Fund Financial Statements:

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

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

Fund Categories

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

General Fund – the principal operating fund and includes all operations not accounted for and reported in another fund.

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

3. Equity Classifications:

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

Fund Financial Statements

GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), breaks fund balance out into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

Unassigned represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Village spends funds in the following order: restricted, committed, assigned, unassigned.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2026

Modified Accrual Basis – All governmental funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, State and Federal aid, mortgage tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenue from State and Federal grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when the liability is incurred except that:

- Expenditures for prepaid items are generally recognized at the time of purchase.
- Principal and interest on indebtedness are recognized as an expenditure when payment is due.

D. CASH AND CASH EQUIVALENTS

The Village considers all highly liquid instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

E. INVESTMENTS

An investment is a security or other asset that a government holds primarily for the purpose of income or profit and with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value. There are, however, two exceptions: certificates of deposit, which are reported at cost; and external investment pools, which may elect to measure all investments at amortized cost if certain criteria (as outlined in GASB Statement Number 79) are met.

F. PROPERTY TAXES

Property taxes are levied annually no later than May 15 and become a lien on June 1. Taxes are collected June 1 to July 1 without penalty or interest. Penalties and interest are imposed pursuant to the Real Property Tax Law.

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

G. BUDGETARY DATA

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

- a. No later than March 20, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board.

2. Budget Basis of Accounting

- a. Budgets are adopted annually on a basis consistent with generally accepted accounting principles.
- b. Appropriations in all budgeted funds lapse at the end of the fiscal year, except outstanding encumbrances which are re-apportioned in the subsequent year.

H. ACCOUNTS RECEIVABLE

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

I. CAPITAL ASSETS

Capital assets, which include land, furnishings and equipment, miscellaneous structures, infrastructure, and intangible right-of-use asset are reported in the government-wide financial statements. The Village defines capital/intangible assets with an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital/intangible assets and assets acquired in a service concession arrangement are recorded at acquisition value.

Depreciation has been recorded using the straight-line method over 5-20 years for furnishings and equipment and 20 years for miscellaneous structures and infrastructure. Amortization has been recorded using the straight-line method over 3 years. Land is not depreciated. General infrastructure assets acquired or constructed prior to June 1, 2004 are not reported in the financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The costs associated with the acquisition or construction of capital/intangible assets are shown as capital outlay expenditures in governmental funds. Capital/intangible assets are not shown on governmental fund balance sheets.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2026

J. INSURANCE

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Village carries various insurance policies to mitigate any loss that might occur.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates. Estimates and assumptions are made in a variety of areas, including potential contingent liabilities and useful lives of capital assets.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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 and will not be recognized as an inflow of resources until that time.

II. DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. Cash and Investments:

The Village's cash and cash equivalents consist of cash on hand and time and demand deposits. The Village investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village Clerk/Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities, and a CLASS investment account with the Municipal Investors Service Corp., which has a collateral agreement with a third-party custodial bank.

Third-party collateral is required for demand deposits and certificates of deposit as provided by law of all deposits not covered by federal deposit insurance (FDIC). Obligations that may be pledged as collateral are the same as the permissible investments mentioned above.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Village's custodial bank in the Village's name.

They consisted of:

Deposits: All deposits, including certificates of deposit, are carried at cost plus accrued interest.

Bank balances for the Village's deposits with financial institutions at May 31, 2026 totaled \$600,534 and are covered by federal deposit insurance or third-party collateral as follows:

Amount FDIC-Insured	\$ 452,216
Amount Collateralized by Third-Parties	<u>148,318</u>
Total Amount	<u><u>\$ 600,534</u></u>

Investment Pool: The Village participates in a multi-municipal cooperative investment pool arrangement pursuant to New York State General Municipal Law Article 3A and 5-G, whereby it holds investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The Village's investments of \$611,324 have been recorded as cash equivalents in the general fund. This amount represents the cost of the investment pool shares and is considered approximate to market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Asset Securities System (NYCLASS), which may be obtained from NYCLASS, 717 17th Street, Suite 1850, Denver, CO 80202.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2026

2. Changes in Capital Assets:

A summary of changes in capital assets follows:

	Balance May 31, 2025	Additions	Reductions	Balance May 31, 2026
Capital Assets that are not Depreciated/Amortized:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Nondepreciable Cost	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital Assets that are Depreciated/Amortized:				
Furnishings and Equipment	38,499	-	-	38,499
Miscellaneous Structures	30,450	-	-	30,450
Infrastructure	1,902,518	-	-	1,902,518
Intangible Right-of-use Asset	65,551	83,333	(65,551)	83,333
Total Depreciable/Amortized Cost	<u>2,037,018</u>	<u>83,333</u>	<u>(65,551)</u>	<u>2,054,800</u>
Less:				
Accumulated Depreciation/Amortization:				
Furnishings and Equipment	(36,495)	-	-	(36,495)
Miscellaneous Structures	(15,458)	(1,286)	-	(16,744)
Infrastructure	(1,225,522)	(54,807)	-	(1,280,329)
Intangible Right-of-use Asset	(62,000)	(25,875)	65,551	(22,324)
Total Accumulated Depreciation/Amortization	<u>(1,339,475)</u>	<u>(81,968)</u>	<u>65,551</u>	<u>(1,355,892)</u>
Net Capital Assets that are Depreciated/Amortized	<u>697,543</u>	<u>1,365</u>	<u>-</u>	<u>698,908</u>
Grand Total	<u>\$ 707,543</u>	<u>\$ 1,365</u>	<u>\$ -</u>	<u>\$ 708,908</u>

Depreciation/amortization expense was charged as a direct expense to programs of the primary government as follows:

Governmental Activities:

General Government Support	\$ 26,894
Transportation	54,930
Culture and Recreation	144
Total Depreciation Expense - Governmental Activities	<u>\$ 81,968</u>

B. LONG-TERM LIABILITIES

Lease

The Village occupies office space in Manhasset, New York. In May 2011, the Village entered into a lease for the office space through July 31, 2015, with options for extension. In August 2018, the lease was extended for an additional four-year period ending July 31, 2022. In August 2022, an additional extension was agreed upon through July 31, 2025. In July 2025, the lease was extended for an additional period of three years through July 31, 2028, with the option to extend for an additional two years through July 31, 2030.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

The lease agreement is summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance May 31, 2026
Office Space	7/31/2025	3 Years	\$ 23,900	4.230%	\$ 83,333	<u>\$ 61,732</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending May 31	Principal	Interest
2027	\$ 27,309	\$ 2,088
2028	29,380	893
2029	5,043	27
	<u>\$ 61,732</u>	<u>\$ 3,008</u>

C. FUND BALANCE

The government's fund balance classification policies and procedures are as follows:

1. For committed fund balances:

- a. The government's highest level of decision-making authority resides with the Board of Trustees.
- b. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is through formal resolution by the Board.

2. For assigned fund balances:

- a. The body or official authorized to assign amounts to a specific purpose is the Board of Trustees.
- b. The policy established by the governing body pursuant to which the authorization to assign amounts to a specific purpose is given to the Board of Trustees.

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2026

As of May 31, 2026, assigned fund balance consisted of the following:

	General Fund	Capital Projects Fund
Assigned Fund Balance:		
Future Capital Projects	\$ 961,000	\$ -
Road Work	-	21,226
Subsequent Year's Budget	16,600	-
Total Assigned Fund Balance	<u>\$ 977,600</u>	<u>\$ 21,226</u>

D. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Village has established a risk management program through the purchase of insurance to cover potential losses related to such risks.

E. CONCENTRATIONS OF RISK

The Village maintains all cash and cash equivalents in three depositories. FDIC insurance covers all government accounts up to \$250,000 (per official custodian) for demand accounts and time and savings accounts. All deposits in excess of the FDIC limit are fully collateralized.

F. COMMITMENTS AND CONTINGENCIES

State and Federal Grants

The Village is a recipient of a number of State and Federal grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could lead to certain disallowances. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements, as well as rules and regulations of the respective agency for each grant.

Tax Certiorari

From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in the assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2026 which could affect future operating budgets of the Village.

Contracts

In May 2024, the Village entered into an agreement for garbage collection and disposal. The contract is for a period of three years ending May 31, 2027. Minimum payment for the year ending May 31, 2027 is \$153,592.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2026

In December 2025, the Village awarded a contract for snow plowing, snow removal, sanding, and salting services. The contract provides for an initial one-year term covering the period from October 1, 2026 through September 30, 2027, with the Village having the option to renew the agreement annually through September 30, 2036. The contract provides for a base seasonal fee of \$26,000, with adjustments based on actual services provided, including discounts for five or fewer snow events and additional charges for snow events in excess of ten and for salt applications. Upon renewal, the contract is subject to annual price escalation provisions.

Litigation

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually or in the aggregate, is likely to have a material effect on the financial statements.

There are no contingencies that the Village is aware of that would have a material impact on the financial statements.

G. SUBSEQUENT EVENTS

There were no events subsequent to May 31, 2026 and the date that these financial statements were available to be issued, August 3, 2026, that would have a material impact on these financial statements.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Required Supplementary Information
For the Year Ended May 31, 2026
(Unaudited)

Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund

	Original Budget	Final Budget	Actual
Revenues:			
Real Property Taxes	\$ 406,000	\$ 406,000	\$ 404,660
Real Property Tax Items	1,900	1,900	1,648
Non Property Tax Items	25,500	25,500	38,682
Departmental Income	8,000	8,000	25,609
Use of Money and Property	16,000	16,000	46,462
Licenses and Permits	65,000	65,000	154,124
Fines and Forfeitures	1,500	1,500	1,431
Minor Sales	300	300	157
State and Local Aid	31,300	31,300	21,663
	<u>555,500</u>	<u>555,500</u>	<u>694,436</u>
Total Revenues	<u>555,500</u>	<u>555,500</u>	<u>694,436</u>
Expenditures:			
General Government Support	241,600	241,600	227,071
Public Safety	63,000	63,000	61,418
Transportation	53,000	53,000	41,840
Culture and Recreation	20,000	20,000	12,825
Home and Community Services	165,900	165,900	180,766
Employee Benefits	34,000	34,000	28,274
	<u>577,500</u>	<u>577,500</u>	<u>552,194</u>
Total Expenditures	<u>577,500</u>	<u>577,500</u>	<u>552,194</u>
Net Change in Fund Balance	<u>\$ (22,000)</u>	<u>\$ (22,000)</u>	142,242
Fund Balance - Beginning of Year			<u>1,017,587</u>
Fund Balance - End of Year			<u>\$ 1,159,829</u>

See Notes to the Financial Statements