



PLAINVIEW WATER DISTRICT
(A Component Unit of the Town of Oyster Bay)

ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2025

PLAINVIEW WATER DISTRICT
Plainview, New York

PLAINVIEW WATER DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Plainview Water District
Plainview, New York

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Plainview Water District ("the District"), a component unit of the Town of Oyster Bay, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plainview Water District, 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 Plainview Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Plainview Water District '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 Plainview Water District '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 management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions, and schedule of changes in the District's total OPEB liability and related ratios on pages 4 through 15 and 48 through 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial statements. The other information on page 54 comprises of the schedule of expenditures and financing sources - capital projects fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Cullen & Danowski, LLP

Port Jefferson Station, New York

April 30, 2026

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plainview Water District's ("the District") discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended December 31, 2025 in comparison with the year ended December 31, 2024, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for the 2025 fiscal year are as follows:

- The District's total net position, as reflected in the district-wide financial statements, was \$64,830,130 at December 31, 2025. This balance represents an increase of \$11,834,540 (22.33%) over the prior year. This was due to capital assets additions from ongoing capital projects, as well as an excess of revenues over expenses using the economic resources measurement focus and accrual basis of accounting. Included in revenue are settlement funds of \$5,236,346 that were awarded to the District, which contribute to the increase in net position.
- The District's general fund-fund balance, as reflected in the fund financial statements, was \$15,940,221 at December 31, 2025. This balance represents a \$340,893 (2.19%) increase over the prior year, due to an excess of revenues over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting as follows:
 - Nonspendable fund balance increased by \$90,609, which represents the changes in inventory and prepaids.
 - Restricted fund balances increased by \$1,277,462, primarily resulting from transfers to both the debt and capital reserves for budgeted and Board-approved transfers, in addition to interest earned. These amounts were offset by the use of the debt service reserve to pay down BAN principal of \$1,800,000 and the use of the capital reserve to purchase a dump truck for \$120,994.
 - Assigned fund balances decreased by \$1,163,991 due to the use of the emerging contaminants assignment (\$2,344,300), as well as the decrease in encumbrances (\$78,328), offset by interest earnings (\$132,397) on assigned funds and funding of the assignment (\$1,126,240).
 - Unassigned fund balance increased by \$136,813 to \$2,911,258.
- In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4, and 7, to treat for 1,4 Dioxane. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to Plant 5 to treat emerging contaminants. As of December 31, 2025, the District issued \$2,979,000 in BANs through the Town, plus \$21,000 in BAN premiums that will fund the projects, and \$35,150,420 remains unissued.
- The District's 2025 property tax levy budget of \$6,149,655 was a 2.65% increase over the 2024 tax levy, which was less than the tax cap of 2.69% and was approved by the Board of Commissioners ("the Board").

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (MD&A), the financial statements, required supplementary information (RSI), and other information. The financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)



A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District, as a whole, in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax and customer base, and the condition of the District's buildings, infrastructure, and other capital assets.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. 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 District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported as governmental funds.

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, retainage payable, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds: general fund and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the RSI to demonstrate compliance with the budget.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased by \$11,834,540 between the fiscal year December 31, 2025, and 2024. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and other assets	\$ 31,234,613	\$ 24,030,945	\$ 7,203,668	29.98 %
Capital assets, net	<u>68,968,768</u>	<u>63,494,946</u>	<u>5,473,822</u>	8.62 %
Total Assets	<u>100,203,381</u>	<u>87,525,891</u>	<u>12,677,490</u>	14.48 %
Deferred Outflows of Resources	<u>823,513</u>	<u>1,359,769</u>	<u>(536,256)</u>	(39.44)%
Liabilities				
Current and other liabilities	6,024,452	3,330,065	2,694,387	80.91 %
Long-term liabilities	18,833,290	19,831,390	(998,100)	(5.03)%
Total OPEB liability	8,728,755	9,188,190	(459,435)	(5.00)%
Net pension liability - proportionate share	<u>803,916</u>	<u>626,135</u>	<u>177,781</u>	28.39 %
Total Liabilities	<u>34,390,413</u>	<u>32,975,780</u>	<u>1,414,633</u>	4.29 %
Deferred Inflows of Resources	<u>1,806,351</u>	<u>2,914,290</u>	<u>(1,107,939)</u>	(38.02)%
Net Position				
Net investment in capital assets	49,379,349	47,816,672	1,562,677	3.27 %
Restricted	8,330,865	7,053,403	1,277,462	18.11 %
Unrestricted (deficit)	<u>7,119,916</u>	<u>(1,874,485)</u>	<u>8,994,401</u>	479.83 %
Total Net Position	<u>\$ 64,830,130</u>	<u>\$ 52,995,590</u>	<u>\$ 11,834,540</u>	22.33 %

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The increase in current and other assets is principally related to increases in amounts due from New York State for receivables relating to capital project improvements, and amounts due from primary government.

The increase in capital assets, net is due to current year additions exceeding depreciation/amortization expense. The accompanying "Capital Assets" Note provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement date and actuarial adjustments to the pension and OPEB plans that will be amortized in future years.

The increase in current and other liabilities is mainly due to increases in accrued liabilities and amounts due to other governments.

The decrease in long-term liabilities is due to the repayment of long-term BANs and the repayment of bonds, net, offset by the increase in long-term BANs payable for new issuances.

The OPEB liability decreased from the prior year, based on the actuarial valuation for the plan. The accompanying "Postemployment Healthcare Benefits" Note provides additional information.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's net pension liability at the measurement date of the respective year. The increase in the net pension liability is primarily due to the net change in the plan's total pension plan assets at the current year measurement date. The accompanying "Pension Plan – New York State" Note, provides additional information.

Deferred inflows of resources represent actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets component of net position relates to the investment in capital assets at cost, such as land; construction in progress; buildings and improvements; furniture and equipment; infrastructure; vehicles; and software, net of accumulated depreciation/amortization and related outstanding debt. The balance as of December 31, 2025, is computed as follows:

	Increase (Decrease)
Capital assets, net	\$ 68,968,768
Capital related accounts payable	(1,851,721)
Capital related accrued liabilities	(1,858,288)
Retainage payable	(818,948)
BANs payable	(13,179,335)
Less: Unspent BAN proceeds	3,543,742
Bonds payable	(5,424,869)
	\$ 49,379,349

The restricted component of net position relates to the District's reserves, which consist of amounts restricted for capital and debt. This balance increased over the prior year due to interest earnings and funding of the reserves, offset by the use of reserves to pay down long-term BANs.

The unrestricted component of net position relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in the accompanying financial statements. A summary of this statement for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 5,393,302	\$ 5,526,482	\$ (133,180)	(2.41)%
Capital grants	3,604,078	2,004,537	1,599,541	79.80 %
General revenues				
Real property taxes	6,149,705	5,990,891	158,814	2.65 %
Other tax items	325,129	314,785	10,344	3.29 %
Use of money and property	809,019	922,708	(113,689)	(12.32)%
Other	5,446,644	112,873	5,333,771	4725.46 %
Total Revenues	<u>21,727,877</u>	<u>14,872,276</u>	<u>6,855,601</u>	46.10 %
Expenses				
Program expenses				
Water administration	2,832,462	1,784,869	1,047,593	58.69 %
Source of supply, power, and pumping	1,451,196	1,261,698	189,498	15.02 %
Purification	1,960,520	2,085,400	(124,880)	(5.99)%
Transmission and distribution	1,497,777	1,662,102	(164,325)	(9.89)%
Debt service - interest	676,088	771,959	(95,871)	(12.42)%
Depreciation/ amortization	1,475,294	1,465,641	9,653	0.66 %
Total Expenses	<u>9,893,337</u>	<u>9,031,669</u>	<u>861,668</u>	9.54 %
Total Change in Net Position	<u>\$ 11,834,540</u>	<u>\$ 5,840,607</u>	<u>\$ 5,993,933</u>	102.63 %

The District's net position increased by \$11,834,540 and \$5,840,607 for the years ended December 31, 2025 and 2024, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following changes:

- Other revenues increased as a result of class action settlements received during the year. In addition, other revenues include premiums received from the issuance of BANs.
- Capital grants increased, as a result of revenue recognized in the current year for ongoing capital improvements funded by the New York State Water Infrastructure Improvement Act (WIIA).
- Real property taxes were increased in accordance with the 2025 budget.

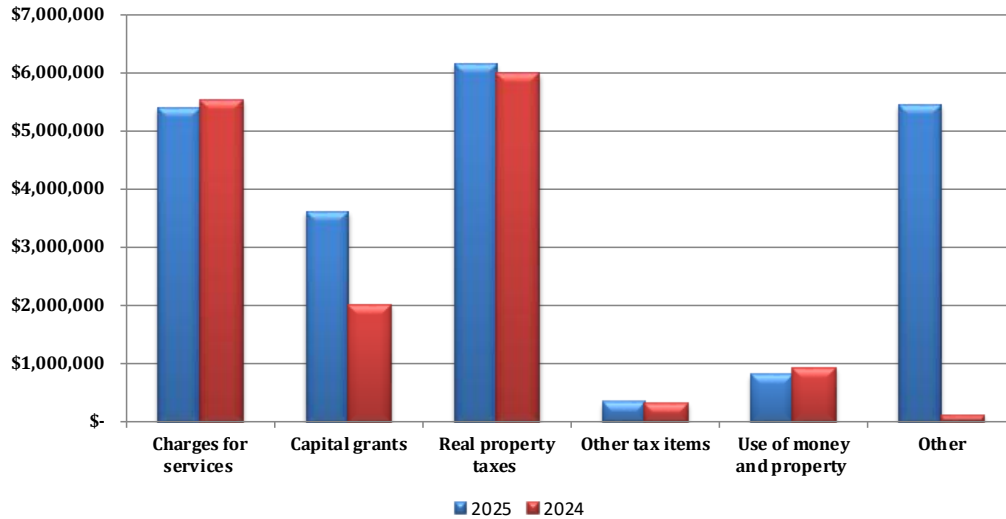
The District's expenses increased when compared to the prior year, principally due to the following changes:

- Water administration increased as a result of incurring more legal fees for services relating to class action settlements.
- Source of supply, power, and pumping increased primarily due to the energy costs associated with running more water treatment plants, as the District continues to complete more phases of its water filtration projects.
- Transmission and distribution decreased as the District had a reduction in employee benefits due to changes in the OPEB and pension valuations and incurred less in road restoration expenses than the prior year. These decreases were offset by an increase in meter purchases.

PLAINVIEW WATER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

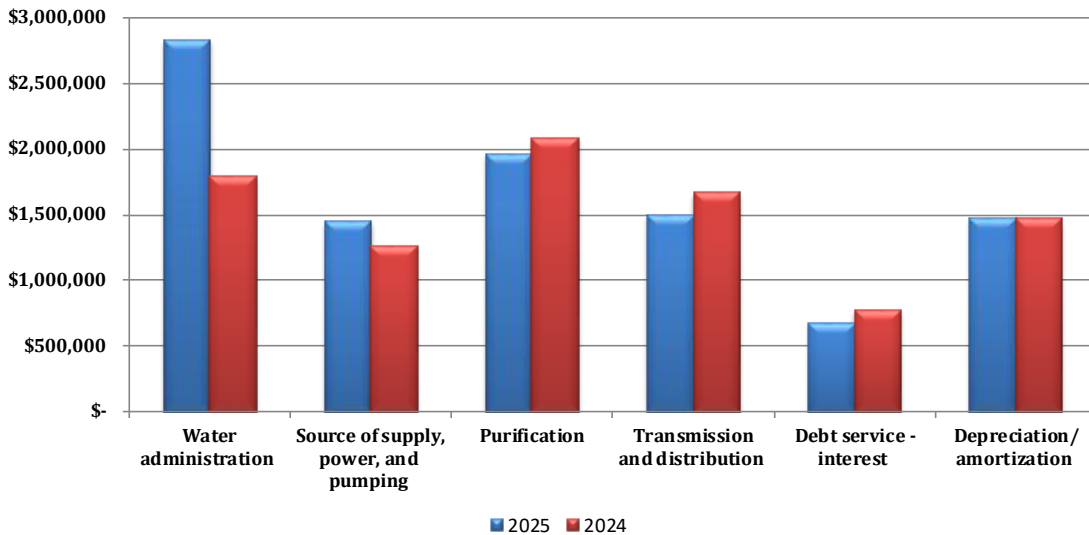
As graphically portrayed below, the District primarily relies on charges for services and real property taxes to support government operations. Collectively, charges for services and real property taxes provided 53.12% and 77.44% of the District’s revenues in fiscal years 2025 and 2024, respectively.

A graphic display of the distribution of revenues for the two years follows:



	Charges for services	Capital grants	Real property taxes	Other tax items	Use of money and property	Other
2025	24.82%	16.59%	28.30%	1.50%	3.72%	25.07%
2024	37.16%	13.48%	40.28%	2.12%	6.20%	0.76%

A graphic display of the distribution of expenses for the two years follows:



	Water administration	Source of supply, power, and pumping	Purification	Transmission and distribution	Debt service - interest	Depreciation/amortization
2025	28.63%	14.67%	19.82%	15.14%	6.83%	14.91%
2024	19.76%	13.97%	23.09%	18.40%	8.55%	16.23%

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2025, the governmental funds reported a combined fund balance of \$19,616,790, which is a decrease of \$559,358 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable:				
Inventory	\$ 587,198	\$ 529,537	\$ 57,661	10.89 %
Prepays	334,939	301,991	32,948	10.91 %
Restricted:				
Capital	6,184,362	5,102,813	1,081,549	21.20 %
Debt	2,146,503	1,950,590	195,913	10.04 %
Assigned:				
Emerging contaminants	3,614,397	4,700,060	(1,085,663)	(23.10)%
Unappropriated fund balance	161,564	239,892	(78,328)	(32.65)%
Unassigned: Fund balance	2,911,258	2,774,445	136,813	4.93 %
	<u>15,940,221</u>	<u>15,599,328</u>	<u>340,893</u>	2.19 %
Capital Fund				
Restricted: Unspent BAN proceeds	3,543,742	5,909,265	(2,365,523)	(40.03)%
Assigned: Unappropriated fund balance	132,827	-	132,827	100.00 %
Unassigned: Fund balance (deficit)	-	(1,332,445)	1,332,445	100.00 %
	<u>3,676,569</u>	<u>4,576,820</u>	<u>(900,251)</u>	(19.67)%
Total Governmental Funds				
Fund Balance	<u>\$ 19,616,790</u>	<u>\$ 20,176,148</u>	<u>\$ (559,358)</u>	(2.77)%

A. General Fund

The general fund is the principal operating fund of the District. For the year ended December 31, 2025, the fund balance increased by \$340,893, revenues of \$16,445,600 exceeded expenditures and other financing uses of \$16,104,707.

The following is a summary of the major changes that resulted in revenues increasing over the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
Real property taxes	\$ 6,149,705	\$ 5,990,891	\$ 158,814	2.65 %
Other tax items	325,129	314,785	10,344	3.29 %
Program revenues	5,393,302	5,526,482	(133,180)	(2.41)%
Use of money and property	809,019	922,708	(113,689)	(12.32)%
Sale of property and compensation for loss	3,627,568	10,647	3,616,921	33971.27 %
Miscellaneous	140,877	102,226	38,651	37.81 %
Other financing sources	-	1,886,391	(1,886,391)	(100.00)%
	<u>\$ 16,445,600</u>	<u>\$ 14,754,130</u>	<u>\$ 1,691,470</u>	11.46 %

PLAINVIEW WATER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

- Compensation for loss increased as a result of class action settlement payments received in 2025 in the amount of \$3,579,147.
- Real property taxes were increased in accordance with the 2025 budget.
- Other financing sources decreased primarily as a result of the District receiving state grant reimbursements for capital projects in the prior year. In 2024, the related revenue was transferred into the general fund assignment for debt from the capital projects fund to fund future debt payments.

The following is a summary of the major changes that resulted in expenditures increasing over the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
Water Administration	\$ 2,551,593	\$ 1,302,929	\$ 1,248,664	95.84 %
Source of Supply, Power & Pumping	1,436,432	1,231,112	205,320	16.68 %
Purification	2,045,048	1,869,062	175,986	9.42 %
Transmission and Distribution	1,366,292	1,638,245	(271,953)	(16.60)%
Employee Benefits	1,710,881	1,610,123	100,758	6.26 %
Debt Service	4,544,545	7,127,941	(2,583,396)	(36.24)%
Other Financing Uses	2,449,916	15,684	2,434,232	15520.48 %
	<u>\$ 16,104,707</u>	<u>\$ 14,795,096</u>	<u>\$ 1,309,611</u>	8.85 %

- Other financing uses increased as the District transferred more, during the current year, to the capital projects fund to fund infrastructure improvements than it did in the prior year.
- Water administration increased primarily due to legal fees incurred as part of the class action settlements.
- Debt service decreased as the District made additional payments on long-term BANs in the prior year using grant funds received for projects that were initially funded by BANs.

The restricted fund balances increased by a net amount of \$1,277,462 compared to the prior year. This increase is due to the funding of reserves and interest earnings for the year, offset by the use of the debt reserve to pay down BANs and the use of the capital reserve for the purchase of a dump truck.

B. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The net change in the capital projects fund – fund balance is a decrease of \$900,251. The District recognized BAN proceeds of \$2,943,000, premiums from the BAN issuance of \$21,000, and operating transfers of \$2,449,916 to fund various projects. The District’s capital projects expenditures of \$6,314,167 were for facility improvements and new water treatment infrastructure needed to treat water for various emerging contaminants in accordance with NYS mandated guidelines.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2025 Budget

The District’s general fund approved budget for the year ended December 31, 2025 was \$13,694,355. This amount was increased by encumbrances carried forward from the prior year in the amount of \$239,892 and budget revisions of \$3,778,910 for a final budget of \$17,713,157.

PLAINVIEW WATER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$6,149,655 in real property taxes and \$4,820,000 in metered water sales.

B. Change in General Fund’s Unassigned Fund Balance (Budget to Actual)

The general fund’s unassigned fund balance is the component of total fund balance that is the residual of current and prior years’ excess revenues over expenditures and other financing uses, net of transfers to reserves and assignments, encumbrances, and amounts classified as nonspendable. The change in this balance, demonstrated through a comparison of the actual revenues and other financing sources and expenditures and other financing uses for the year compared to budget, follows:

Opening, Unassigned Fund Balance	\$ 2,774,445
Revenues Over Budget	3,237,629
Expenditures, Other Financing Uses, and Encumbrances Under Budget	1,446,886
Net Change in Nonspendable Fund Balance	(90,609)
Allocation to Restricted Reserves	(3,198,457)
Allocation to Assigned Fund Balance	<u>(1,258,636)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 2,911,258</u></u>

Opening, Unassigned Fund Balance

The \$2,774,445 shown in the table is the District’s December 31, 2024 unassigned fund balance.

Revenues Over Budget

The 2025 final budget for revenues \$13,207,971. Actual revenues recognized for the year were \$16,445,600. The excess of actual revenues over estimated or budgeted revenues was \$3,237,629. This change contributes directly to the change in the unassigned portion of the general fund-fund balance from December 31, 2024 to December 31, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2025 final budget for expenditures and other financing uses was \$17,713,157. Actual expenditures and other financing uses for the year were \$16,104,707, and outstanding encumbrances were \$161,564. Combined, the expenditures, other financing uses, and encumbrances for 2025 were \$16,266,271. The final budget variance was \$1,446,886, which contributes directly to the change to the unassigned portion of the general fund-fund balance from December 31, 2024 to December 31, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

The District prepaid three months of ERS required contributions, insurance payments, and one month of health insurance, and had inventories for supplies and materials at December 31, 2025. The resulting balance sheet assets (prepaids and inventories) cannot be spent because they are not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The increase in nonspendable fund balance decreases unassigned fund balance.

PLAINVIEW WATER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

Allocation to Restricted Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless and until these monies are actually expended. The transfers do, however, reduce the District’s discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers.

The \$3,198,457 shown in the previous table represents a transfer to the capital reserve of \$1,000,000, interest earnings on the capital reserve of \$202,543, amounts added to restricted for debt of \$1,959,783, which represents grant revenue received on capital projects less the change in premiums recognized from the issuance of BANs, and interest earnings on restricted for debt of \$36,130.

Net Change in Assigned Fund Balance

The \$1,258,636 shown in the previous table represents the change in assignment for emerging contaminants. This decreases the unassigned portion of the general fund’s fund balance at December 31, 2025.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the District will begin the 2026 fiscal year with an unassigned fund balance of \$2,911,258. This is an increase of \$136,813 in the unassigned balance over the prior year.

6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At December 31, 2025, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital outlays and other additions of \$6,949,116 in excess of depreciation/amortization expense of \$1,475,294 recorded for the year. A summary of the District’s capital assets, net of accumulated depreciation/amortization at December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Land	\$ 302,792	\$ 302,792	\$ -
Construction work in progress	5,782,889	16,679,290	(10,896,401)
Buildings and improvements	7,908,781	8,291,371	(382,590)
Furniture and equipment	699,396	485,352	214,044
Infrastructure	53,845,654	37,346,923	16,498,731
Vehicles	411,607	364,651	46,956
Software	17,649	24,567	(6,918)
	<u>\$ 68,968,768</u>	<u>\$ 63,494,946</u>	<u>\$ 5,473,822</u>
Capital assets, net			

The majority of the additions were related to the ongoing construction of new infrastructure for implementation of water treatment technologies.

The District is continuing to make significant capital expenditures resulting from bond authorizations for the construction of new infrastructure needed to implement treatment for the removal of 1,4 Dioxane and other emerging contaminants. As of December 31, 2025, the District has expended 36% of the authorization and the construction is ongoing.

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Debt Administration

At December 31, 2025, the District had total long-term debt of \$18,376,014. The BANs and bonds were issued for major improvements to the District's infrastructure and facilities. The decreases in outstanding debt represent principal payments made throughout the year, while the increase indicates a new issuance. A summary of the outstanding debt at December 31, 2025 and 2024 is as follows:

Issue Date	Interest Rate	2025	2024	Increase (Decrease)
Bond Anticipation Notes Payable				
2024	4.00%	\$ -	\$ 12,811,500	\$(12,811,500)
2025	4.00%	13,179,335	-	13,179,335
		<u>\$ 13,179,335</u>	<u>\$ 12,811,500</u>	<u>\$ 367,835</u>
Bonds payable				
2018	2.00 - 5.00%	\$ 538,121	\$ 791,666	\$ (253,545)
2018	2.00 - 5.00%	68,958	135,243	(66,285)
2018	3.00 - 4.00%	177,000	196,000	(19,000)
2018	3.00 - 4.00%	40,000	44,000	(4,000)
2021	2.00 - 4.00%	1,363,000	1,779,000	(416,000)
2022	5.00%	3,009,600	3,434,800	(425,200)
		<u>\$ 5,196,679</u>	<u>\$ 6,380,709</u>	<u>\$ (1,184,030)</u>

In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant No. 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4, and 7, to treat for 1,4 Dioxane. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to Plant 5 to treat for emerging contaminants. As of December 31, 2025, the District issued \$2,979,000 in BANs through the Town, plus \$21,000 in BAN premiums that will be used to fund the projects, and \$35,150,420 remains unissued.

Additional information on the District's long-term debt can be found in the "Long-Term Liabilities" Note.

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are estimated amounts due for compensated absences, which are based on employment contracts, total OPEB liability, and net pension liability - proportionate share, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at December 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Compensated absences payable	\$ 229,086	\$ 308,376	\$ (79,290)
Total OPEB liability	8,728,755	9,188,190	(459,435)
Net pension liability - proportionate share	803,916	626,135	177,781
	<u>\$ 9,761,757</u>	<u>\$ 10,122,701</u>	<u>\$ (360,944)</u>

PLAINVIEW WATER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

A. Subsequent Year’s Budget

The Board adopted the District’s 2026 budget on September 9, 2025. The District expects to maintain the same quality level of service to its taxpayers and customers that it has historically provided. The 2026 budget of \$14,541,412 represents an \$847,057 (6.19%) increase over the 2025 budget. The majority of this increase is due to a rise in costs associated with pumping and distribution, and larger debt service payments. Partial funding for the budget will be provided by estimated non-property tax revenues of \$6,238,016, which is an increase of \$493,316 (8.59%) over 2025. Additionally, the District has elected to appropriate \$2,000,000 of reserves to pay down principal on the BANs, which is an increase of \$200,000 over the previous year. The real property tax levy of \$6,303,396 will provide the balance of the funding for the budget, which is an increase of \$153,741 (2.50%) over 2025.

B. Water Sales

The District derives a significant amount of its operating revenues from water sales. For water utilities, water revenues are dependent on the amount of rainfall, particularly during the summer months. As such, these revenues are unpredictable and very volatile. Water revenues for the District can vary significantly from a rainy year to a dry year. Water revenues are budgeted on the conservative side, which is in anticipation of a rainy year. However, actual water revenues can still fall far short of the District’s estimates. The District budget for 2026 includes \$4,820,000 for metered water sales. The District also believes that such adverse weather conditions can easily recur consecutively over two years or more. Gallons billed and water revenues for the past five years are as follows:

	Gallons billed (millions)		Water Revenue Recognized in General Fund (thousands)
2025	1,654	\$	4,897
2024	1,689		4,980
2023	1,646		4,493
2022	1,674		4,575
2021	1,661		4,030

C. Tax Cap

New York State law limits the increase in the property tax levy of municipalities to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Municipalities may override the tax levy limit by drafting a local law or resolution that overrides the tax levy limit and having it approved by a 60 percent rate of the governing body. Based on the law, the District’s tax levy cap for 2026 is 2.52%. The District’s tax levy increase of 2.50% was less than the tax cap and did not require an override vote.

8. ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District’s taxpayers, customers, and other interested parties with an overview of the District’s financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Plainview Water District’s Business Manager at Plainview Water District, 10 Manetto Hill Road, Plainview, New York 11803.

PLAINVIEW WATER DISTRICT

Statement of Net Position

December 31, 2025

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 7,552,943
Restricted	8,330,865
Receivables	
Accounts receivable	2,924,172
Due from New York State	5,286,110
Due from other governments	140,427
Due from primary government	6,077,959
Inventory	587,198
Prepays	334,939
Capital assets	
Not being depreciated	6,085,681
Being depreciated/amortized, net of accumulated depreciation/amortization	<u>62,883,087</u>
Total Assets	<u>100,203,381</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	557,897
Other postemployment benefits	<u>265,616</u>
Total Deferred Outflows of Resources	<u>823,513</u>

LIABILITIES

Payables	
Accounts payable	2,228,033
Accrued liabilities	2,446,343
Retainage payable	818,948
Due to other governments	386,673
Guaranty and bid deposits	10,075
Notes payable - bond anticipation	36,000
Unearned credits - collections in advance	98,380
Long-term liabilities	
Due within one year	
Bond anticipation notes payable	2,990,100
Bonds payable, net	1,318,800
Compensated absences payable	11,404
Total other postemployment benefits liability	515,417
Due after one year	
Bond anticipation notes payable	10,189,235
Bonds payable, net	4,106,069
Compensated absences payable	217,682
Total other postemployment benefits liability	8,213,338
Net pension liabilities - proportionate share	<u>803,916</u>
Total Liabilities	<u>34,390,413</u>

DEFERRED INFLOWS OF RESOURCES

Pension	10,807
Other postemployment benefits	<u>1,795,544</u>
Total Deferred Inflows of Resources	<u>1,806,351</u>

NET POSITION

Net investment in capital assets	49,379,349
Restricted:	
Capital	6,184,362
Debt	2,146,503
Unrestricted	<u>7,119,916</u>
Total Net Position	<u>\$ 64,830,130</u>

PLAINVIEW WATER DISTRICT
Statement of Activities
For the Year Ended December 31, 2025

Program Revenues	
Charges for services	\$ 5,393,302
Capital grants	<u>3,604,078</u>
Total Program Revenues	<u>8,997,380</u>
Program Expenses	
Home and community services	
Water supply services	
Water administration	2,832,462
Source of supply, power, and pumping	1,451,196
Purification	1,960,520
Transmission and distribution	1,497,777
Debt service - interest	676,088
Depreciation/amortization	<u>1,475,294</u>
Total Program Expenses	<u>9,893,337</u>
Net Program Revenue (Expense)	<u>(895,957)</u>
General Revenues	
Real property taxes	6,149,705
Other tax items	325,129
Use of money and property	809,019
Sale of property and compensation for loss	48,421
Compensation for loss - settlements	5,236,346
Miscellaneous	<u>161,877</u>
Total General Revenues	<u>12,730,497</u>
Change in Net Position	11,834,540
Net Position - Beginning of Year	<u>52,995,590</u>
Net Position - End of Year	<u><u>\$ 64,830,130</u></u>

PLAINVIEW WATER DISTRICT
Balance Sheet - Governmental Funds
December 31, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 5,296,695	\$ 2,256,248	\$ 7,552,943
Restricted	8,330,865		8,330,865
Receivables			
Accounts receivable	2,924,172		2,924,172
Due from other funds	81,855		81,855
Due from New York State		5,286,110	5,286,110
Due from other governments	140,427		140,427
Due from primary government	443,100	5,634,859	6,077,959
Inventory	587,198		587,198
Prepays	334,939		334,939
	\$ 18,139,251	\$ 13,177,217	\$ 31,316,468
LIABILITIES			
Payables			
Accounts payable	\$ 376,312	\$ 1,851,721	\$ 2,228,033
Accrued liabilities	57,064	1,858,288	1,915,352
Due to other funds		81,855	81,855
Due to other governments		386,673	386,673
Guaranty and bid deposits	10,075		10,075
Notes payable - bond anticipation		36,000	36,000
Unearned credits - collections in advance	98,380		98,380
	541,831	4,214,537	4,756,368
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,657,199	5,286,111	6,943,310
FUND BALANCES			
Nonspendable:			
Inventory	587,198		587,198
Prepays	334,939		334,939
Restricted:			
Capital	6,184,362		6,184,362
Debt	2,146,503		2,146,503
Unspent BAN proceeds		3,543,742	3,543,742
Assigned:			
Emerging contaminants	3,614,397		3,614,397
Unappropriated fund balance	161,564	132,827	294,391
Unassigned: Fund balance	2,911,258		2,911,258
	15,940,221	3,676,569	19,616,790
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,139,251	\$ 13,177,217	\$ 31,316,468

PLAINVIEW WATER DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the District-wide Statement of Net Position
December 31, 2025

Total Governmental Fund Balances \$ 19,616,790

The costs of building, acquiring, or the right-to-use capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital and intangible assets	\$ 92,715,791	
Less: Accumulated depreciation/amortization	<u>(23,747,023)</u>	
		68,968,768

Proportionate share of long-term liabilities, as well as deferred outflows and inflows associated with participation in the state retirement system are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	557,897	
Net pension liability - proportionate share	(803,916)	
Deferred inflows of resources	<u>(10,807)</u>	
		(256,826)

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	265,616	
Total other postemployment benefits liability	(8,728,755)	
Deferred inflows of resources	<u>(1,795,544)</u>	
		(10,258,683)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position. 6,943,310

Long-term and related liabilities are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds. Long-term and related liabilities consisted of:

Accrued interest on debt	(530,991)	
Retainage payable	(818,948)	
Bond anticipation notes payable	(13,179,335)	
Bonds payable, net	(5,424,869)	
Compensated absences payable	<u>(229,086)</u>	
		<u>(20,183,229)</u>

Total Net Position \$ 64,830,130

PLAINVIEW WATER DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

	General	Capital Projects	Total Governmental Funds
Revenues			
Real property taxes	\$ 6,149,705	\$	\$ 6,149,705
Other tax items	325,129		325,129
Program revenues	5,393,302		5,393,302
Use of money and property	809,019		809,019
Sale of property and compensation for loss	48,421		48,421
Compensation for loss - settlements	3,579,147		3,579,147
Miscellaneous	140,877	21,000	161,877
	<u>16,445,600</u>	<u>21,000</u>	<u>16,466,600</u>
Expenditures			
Water administration	2,551,593	14,764	2,566,357
Source of supply, power, and pumping	1,436,432		1,436,432
Purification	2,045,048		2,045,048
Transmission and distribution	1,366,292		1,366,292
Employee benefits	1,710,881		1,710,881
Debt service			
Principal	3,759,195		3,759,195
Interest	785,350		785,350
Capital outlay		6,299,403	6,299,403
	<u>13,654,791</u>	<u>6,314,167</u>	<u>19,968,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,790,809</u>	<u>(6,293,167)</u>	<u>(3,502,358)</u>
Other Financing Sources and (Uses)			
Proceeds of BANs		2,943,000	2,943,000
Operating transfers in		2,449,916	2,449,916
Operating transfers (out)	(2,449,916)		(2,449,916)
	<u>(2,449,916)</u>	<u>5,392,916</u>	<u>2,943,000</u>
Net Change in Fund Balances	340,893	(900,251)	(559,358)
Fund Balances - Beginning of Year	<u>15,599,328</u>	<u>4,576,820</u>	<u>20,176,148</u>
Fund Balances - End of Year	<u>\$ 15,940,221</u>	<u>\$ 3,676,569</u>	<u>\$ 19,616,790</u>

PLAINVIEW WATER DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the District-wide Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances		\$ (559,358)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-term Revenue and Expense Differences</u>		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	\$ 5,261,277	
Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in net position.		
Decrease in compensated absences payable	79,290	5,340,567
<u>Capital Related Differences</u>		
Capital outlays to purchase, build, improve, or the right-to-use capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense /amortization in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/ amortization expense in the period.		
Capital outlays and other additions	6,949,116	
Depreciation/amortization expense	(1,475,294)	
	5,473,822	
Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the government funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. This is the amount by which retainage payable increased from December 31, 2024 to December 31, 2025.		
	(199,285)	5,274,537
<u>Long-Term Debt Transactions</u>		
Proceeds from the issuance of BANs are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(2,943,000)	
The amortization of the deferred premium on the current refunding of bonds decreases interest expense in the Statement of Activities.	102,615	
Repayment of long-term debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Bond anticipation notes payable	2,575,165	
Bond payable	1,184,030	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from December 31, 2024 to December 31, 2025.		
	6,647	925,457
<u>Pension and Other Postemployment Benefits Differences</u>		
The change in the proportionate share of the collective pension expense of the state retirement plan and the change in other postemployment benefits expense, reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.		
Employees' retirement system	44,095	
Other postemployment benefits	809,242	
		853,337
Change in Net Position of Governmental Activities		\$ 11,834,540

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plainview Water District (“the District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are as follows:

A. Reporting Entity

The District, which was established in 1928, is governed by Town Law and other general laws of the State of New York. The Board of Commissioners (“the Board”) is the legislative body responsible for overall operations. The Board consists of three members, all of whom are elected by residents of the District for terms of three years. The primary function of the District is to provide water service to District residents.

The financial reporting entity is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and 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 accompanying financial statements present the activities of the District. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board. The decision to include a potential component unit in the District’s reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units or other entities included in the District’s reporting entity.

The District is a component unit of the Town of Oyster Bay, New York.

B. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District. Eliminations have been made to exclude the double counting of interfund transactions. Governmental activities generally are financed through taxes, program revenues, and other exchange and non-exchange transactions. Capital grants reflect capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the District at fiscal year end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District’s governmental activities. Program expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges to customers for water usage. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds. The District's financial statements present the following fund type:

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use, balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Capital Projects Fund - is used to account for the financial resources that are restricted, committed, or assigned to expenditures of capital outlays, including the acquisition, construction, renovation, or major capital repair of capital facilities and other capital or intangible assets.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes change in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes and grants. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied, and the related expenditures are incurred.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for retainage, principal and interest on general long-term debt, compensated absences, pension costs, and OPEB, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Real Property Taxes

Real property taxes for the Town of Oyster Bay (“the Town”) are levied annually by the Town Board. The taxes are due in two installments of 50% on January 1 and July 1 without penalty to February 10 and August 10, respectively. Late payments are subject to penalties. The taxes are collected by the Town and subsequently forwarded to the District. Uncollected taxes are subsequently enforced by Nassau County.

Water sales that go uncollected for three months are turned over to the Town for collection. These balances become liens on the respective delinquent properties. The Town remits to the District the amount of the receivables, regardless of the Town’s ability to collect on the liens. Uncollected amounts are enforced by Nassau County.

E. Payments in Lieu of Taxes (PILOT)

The District reports PILOT revenues in the general fund as part of other tax items revenue. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the town and/or county to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected PILOT to the District.

The District’s PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-2016 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and instead allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law Section 1020-q (“the LIPA Reform Act”) enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB but were structured to compensate local taxing jurisdictions for property tax revenue lost due to LIPA’s tax-exempt status.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, the District’s policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District’s practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, transfers in, and transfers out activity is provided subsequently in these Notes to Financial Statements.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. 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 amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, pension costs, OPEB, potential contingent liabilities, and useful lives of capital assets.

I. Cash and Cash Equivalents/Investments

Cash and cash equivalents consist of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from the date of acquisition. Included in cash and cash equivalents are highly liquid investments held with the New York Cooperative Liquid Assets Securities System (NYCLASS).

Investments are reported at fair value based on quoted market price.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and consists of amounts restricted for capital and for the repayment of debt.

J. Receivables

Receivables include amounts due from customers. Receivables are recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the fund financial statements. Receivables are shown net of allowance for uncollectibles, if any. However, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaids

Inventory consists of supply type items and are recorded at cost on a first-in, first-out basis. Prepaids represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the district-wide and fund financial statements. These items are reported as assets using the consumption method. A current asset for both the inventory and prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

L. Capital and Intangible Assets

The district-wide financial statements report both capital and intangible assets, such as software. Capital assets and intangible assets are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital and intangible assets, except land and construction in progress, are depreciated/amortized on a straight-line basis over their estimated useful lives as follows:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	Straight-line	10-50 years
Furniture and equipment	5,000	Straight-line	5-10 years
Infrastructure	5,000	Straight-line	50 years
Vehicles	5,000	Straight-line	10 years
Software	5,000	Straight-line	5-10 years

M. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in the collective pension expense as well as the District's contributions to the pension system subsequent to the measurement date. The second item is related to OPEB and represents the change in the total OPEB liability not included in OPEB expense.

N. Guaranty and Bid Deposits

Guaranty and bid deposits represent funds advanced from real estate developers for the installation of new water mains and connections to the District's water distribution system.

O. Bond Anticipation Notes Payable (BAN)

The District may issue BANs in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during the calendar year 2015 through, and including, 2021. However, bond anticipation notes issued in anticipation of bonds for an assessable improvement may be renewed from time to time for a period not exceeding one year for each such renewal, and without limitation as to the number of such renewals. These renewals cannot extend beyond the period of probable usefulness of the object or purpose for which it is issued, as computed from the date of the first note or notes issued. BANs that are replaced with long-term financing, or renewed subsequent to year end, are treated as long-term liabilities, as these notes will not require the use of working capital during that period.

P. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when charges for service monies are received in advance from payers prior to the services being rendered by the District, such as prepaid water usage, connection, and plan review fees. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues recognized in subsequent periods when the District has a legal claim to the resources.

Q. Employee Benefits - Compensated Absences

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

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 24 days (with two additional days that can be earned if no sick days are taken over the calendar year) per year, but may accumulate no more than a maximum of 80 days. Upon separation from service other than

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

termination for cause, employees are paid for all unused accumulated vacation leave. Employees accrue sick leave at a rate of 12 days per year and may accumulate such credits up to a total of 80 days. Upon separation from service other than termination for cause, employees are paid for all unused accumulated sick leave.

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to leave, and it is more likely than not that the leave will be used for time off or paid out in cash or settled through other means. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is measured at the employee's pay rate at the reporting date, including salary-related payments such as social security and Medicare taxes.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by December 31st.

R. Other Benefits

Eligible District employees participate in the New York State and Local Employees' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plan established under Internal Revenue Code §457.

The District provides individual or family health insurance coverage for active employees pursuant to the employee handbook.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. The Employee Handbook determines if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting.

S. Long-Term Debt

The District borrows money in order to acquire land or equipment, construct buildings, make improvements, or obtain the right-to-use intangible assets. This enables the cost of these capital and intangible assets to be borne by the present and future taxpayers receiving the benefit of the capital and intangible assets. These long-term liabilities are full faith and credit debt of the Town of Oyster Bay. The repayment of principal and interest will be in the general fund.

In the fund financial statements, governmental funds recognize premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the district-wide financial statements, premiums received on original long-term debt issuances are netted with bond payable and amortized over the life of the bonds.

T. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds, when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables for grants and settlement funds. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the district-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pension amounts reported in the district-wide Statement of Net Position and consists of the District's proportionate share of the change in the collective net pension asset or liability not included in the collective pension expense. The third item is related to OPEB reported in the district-wide statement of net position and represents the change in the total OPEB liability not included in OPEB expense.

U. Equity Classifications

District-Wide Statements

In the district-wide statements there are three classes of net position:

Net investment in Capital Assets – Consists of net capital and intangible assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvement of, and the right-to-use those assets, net of any unexpended proceeds.

Restricted – Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory and prepaids, which are recorded in the general fund.

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. The District has established the following restricted fund balances:

Capital Reserve – Was established pursuant to Section 6-C of the General Municipal Law of the State of New York. This reserve is a general reserve for improvements as defined by the District's engineers and is accounted for in the general fund.

Restricted for Debt – Unexpended balances of proceeds of borrowing for capital projects, interest and earnings from investing proceeds of debt, and premiums and accrued interest on long-term borrowings may be recorded in the debt service fund or general fund and held until appropriated for debt payments. These restricted amounts are accounted for in the general fund.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted Unspent BAN Proceeds – Unspent long-term BAN proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District’s Board. 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, positive amount of fund balance. Assigned fund balance could also include an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. Assigned fund balance also includes the following:

Assigned for Emerging Contaminants – The balance represents an amount set aside for future water treatments for emerging contaminants.

Unassigned – Represents the residual classification for the District’s general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from the overspending of available resources.

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law, or by formal action of the Board if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must also be approved by formal action of the Board.

The Board shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

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 Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

2. FUTURE ACCOUNTING STANDARDS

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but the statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
December 31, 2026	GASB No. 103 – <i>Financial Reporting Model Improvements</i>
December 31, 2026	GASB No. 104 – <i>Disclosures of Certain Capital Assets</i>
December 31, 2027	GASB No. 105 – <i>Subsequent Events</i>

GASB Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues.

GASB Statement No. 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure, such as leased assets, intangible right-to-use assets, and assets held for sale.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

GASB Statement No. 105 was issued to improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events, and by specifying the information items that are required to be disclosed about subsequent events.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE DISTRICT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental funds Balance Sheet, as applied to the reporting of capital assets, and deferred outflows of resources, long-term assets and liabilities, and deferred inflows of resources.

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

Differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Pension and Other Postemployment Benefits Differences

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

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

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget Policies

Budgets are adopted annually on a basis consistent with GAAP. The District's procedures for establishing its budget are as follows:

- The District's administration prepares a proposed budget for the general fund and submits it to the Board for approval.
- The proposed budget for the general fund is then submitted to the Oyster Bay Town Board for approval.
- Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balance. These supplemental appropriations may occur, subject to legal restriction, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The District had the following supplemental appropriations during the year:

Budget Revisions

Interfund transfers funded by

Assigned fund balances:

Plant 3 GAC upgrade and enclosure	\$ 652,500
Plant 7 AOP enclosure	1,691,800
Vehicle purchase funded by capital reserve	120,994
Legal fees associated with class action suit funded by settlement fund revenues	1,200,651
Additional principal payment on BAN funded by additional revenues	96,165
Hydrant purchases funded by insurance recoveries	16,800
	\$ 3,778,910

- In the capital projects fund, budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Restricted Fund Balance

The following table provides a summary of activity for restricted fund balance as follows:

	Balance 12/31/2024	Interest Earned	Funding	Use of Reserve	Balance 12/31/2025
General Fund					
Capital	\$ 5,102,813	\$ 202,543	\$ 1,000,000	\$ (120,994)	\$ 6,184,362
Debt Service	1,950,590	98,021	2,000,000	(1,902,108)	2,146,503
Capital Projects Fund					
Unspent BAN proceeds	5,909,265			(2,365,523)	3,543,742
	<u>\$ 12,962,668</u>	<u>\$ 300,564</u>	<u>\$ 3,000,000</u>	<u>\$(4,388,625)</u>	<u>\$ 11,874,607</u>

C. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. 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 New York State and its municipalities.

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by letters of credit pledged on the District's behalf at year end.

The District did not have any investments at year-end or during the year, except as discussed in the note below. Consequently, the District was not exposed to any material credit risk, interest rate risk, or concentration of credit risk.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment pool:

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to GML Articles 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS portfolio holdings are collateralized in accordance with GML §10 and §11.

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at December 31, 2025, was 41 days, and the weighted average life (WAL) was 80 days. These investments are included in cash and cash equivalents as follows:

Fund	Carrying Amount
General Fund	\$ 2,488,157

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The lead participant of NYCLASS is the Village of Rhinebeck. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2025, consisted of:

General Fund:

Metered water sales, unbilled	\$ 952,373
Metered water sales, billed	287,328
Miscellaneous	27,272
Settlements	1,657,199
	\$ 2,924,172

Accounts receivable includes amounts related to legal settlements that have been awarded to the District from a class action suit for water contamination. These settlement funds are included in deferred inflows of resources in the general fund, as they are not current financial resources. District management expects these amounts to be fully collectible.

7. DUE FROM NEW YORK STATE

Due from New York State at December 31, 2025, consisted of:

Capital Projects Fund:

New York State WIIA Grant - 2017	\$ 656,550
New York State WIIA Grant - 2021	595,264
New York State WIIA Grant - 2022	1,036,674
New York State WIIA Grant - 2024	2,997,622
	\$ 5,286,110

District management expects these amounts to be fully collectible.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2025, consisted of:

Water liens	\$ 140,427
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District management expects these amounts to be fully collectible.

9. DUE FROM PRIMARY GOVERNMENT

Due from primary government at December 31, 2025, consisted of:

General Fund:

Town of Oyster Bay	
Premiums and interest on obligations	\$ 297,853
Payments in lieu of taxes	145,247
	443,100

Capital Projects Fund:

Town of Oyster Bay	
BAN proceeds held by Town	5,634,859
	\$ 6,077,959

District management expects these amounts to be fully collectible.

10. INTERFUND TRANSACTIONS

Interfund balances and activities at December 31, 2025, were as follows:

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$ 81,855	\$	\$	\$ 2,449,916
Capital Projects Fund		81,855	2,449,916	
Total governmental activities	\$ 81,855	\$ 81,855	\$ 2,449,916	\$ 2,449,916

Interfund receivables and payables are eliminated on the Statement of Net Position. The District transferred funds from the general fund to the capital projects fund in accordance with Board approvals throughout the year to fund current capital projects.

All interfund payables are expected to be repaid within one year.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. CAPITAL ASSETS

A. Changes

Capital assets balances and activities for the year ended December 31, 2025, were as follows:

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 302,792	\$	\$	\$ 302,792
Construction work in progress	16,679,290	7,118,352	(18,014,753)	5,782,889
Total capital assets not being depreciated	16,982,082	7,118,352	(18,014,753)	6,085,681
Capital assets being depreciated/amortized:				
Buildings and improvements	17,524,652			17,524,652
Furniture and equipment	1,958,336	302,855		2,261,191
Infrastructure	48,467,221	17,442,930		65,910,151
Vehicles	813,481	99,732	(67,545)	845,668
Software	88,448			88,448
Total capital assets being depreciated/amortized	68,852,138	17,845,517	(67,545)	86,630,110
Less accumulated depreciation/amortization for:				
Buildings and improvements	9,233,281	382,590		9,615,871
Furniture and equipment	1,472,984	88,811		1,561,795
Infrastructure	11,120,298	944,199		12,064,497
Vehicles	448,830	52,776	(67,545)	434,061
Software	63,881	6,918		70,799
Total accumulated depreciation/amortization	22,339,274	1,475,294	(67,545)	23,747,023
Total capital assets being depreciated/amortized, net	46,512,864	16,370,223	-	62,883,087
Capital assets, net	<u>\$ 63,494,946</u>	<u>\$ 23,488,575</u>	<u>\$ (18,014,753)</u>	<u>\$ 68,968,768</u>

Depreciation/amortization expense totaled \$1,475,294 and was charged to home and community services – water supply services.

B. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital or intangible assets to determine whether impairment of a capital or intangible asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At December 31, 2025, the District has not recorded any such impairment losses.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	<u>Maturity</u>	<u>Stated Interest Rate</u>	<u>Balance 12/31/24</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 12/31/25</u>
BAN	3/5/2026	4.00%	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ 36,000</u>

The BANs were issued to provide cash for the District's capital projects.

The Town of Oyster Bay, on behalf of the District, issued \$13,215,335 in BANs during the year ended December 31, 2025; however, \$13,179,335 of these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities. The \$36,000 was paid on March 5, 2026, using current financial resources and, as such, was treated as short-term.

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

Interest paid	\$ -
Plus: interest accrued in the current year	<u>1,140</u>
Total expense	<u>\$ 1,140</u>

13. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activities, excluding the pension liability, for the year ended December 31, 2025, are summarized as follows:

	<u>Balance 12/31/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/25</u>	<u>Amounts Due Within One Year</u>
<u>Long-term debt:</u>					
BANs payable	\$ 12,811,500	\$ 2,943,000	\$ (2,575,165)	\$ 13,179,335	\$ 2,990,100
Bonds payable	6,380,709		(1,184,030)	5,196,679	1,236,203
Premium on obligations	330,805		(102,615)	228,190	82,597
<u>Other long-term liabilities:</u>					
Compensated absences	308,376		(79,290)	229,086	11,404
Total OPEB liability	<u>9,188,190</u>		<u>(459,435)</u>	<u>8,728,755</u>	<u>515,417</u>
	<u>\$ 29,019,580</u>	<u>\$ 2,943,000</u>	<u>\$ (4,400,535)</u>	<u>\$ 27,562,045</u>	<u>\$ 4,835,721</u>

The general fund is typically used to liquidate all long-term liabilities.

Additions and reductions to compensated absences are shown net. The maturity of compensated absences is not determinable.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Full details on total OPEB liability can be found in the "Postemployment Healthcare Benefits" Note.

B. Bond Anticipation Notes Payable

Bond anticipation notes payable is comprised of the following:

	<u>Maturity</u>	<u>Stated Interest Rate</u>	<u>Balance 12/31/24</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 12/31/25</u>
BAN	3/7/2025	4.00%	\$ 12,811,500	\$	\$(12,811,500)	\$ -
BAN	3/5/2026	4.00%	-	13,179,335		13,179,335
			<u>\$ 12,811,500</u>	<u>\$ 13,179,335</u>	<u>\$(12,811,500)</u>	<u>\$ 13,179,335</u>

C. Bonds Payable

Bonds payable is comprised of the following:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at 12/31/25</u>
Public improvement				
Refunding serial bonds (2008)	2018	2027	2.00 - 5.00%	\$ 538,121
Refunding serial bonds (2010)	2018	2026	2.00 - 5.00%	68,958
Serial bonds	2018	2033	3.00 - 4.00%	177,000
Serial bonds	2018	2033	3.00 - 4.00%	40,000
Refunding serial bonds (2014)	2021	2028	2.00 - 4.00%	1,363,000
Refunding serial bonds (2014)	2022	2031	5.00%	3,009,600
				<u>\$ 5,196,679</u>

The following is a summary of debt service requirements of bonds payable:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,236,203	\$ 220,796	\$ 1,456,999
2027	1,214,576	167,903	1,382,479
2028	987,100	119,975	1,107,075
2029	539,800	85,249	625,049
2030	565,800	58,731	624,531
2031 - 2033	653,200	33,229	686,429
	<u>\$ 5,196,679</u>	<u>\$ 685,883</u>	<u>\$ 5,882,562</u>

D. Premiums on Obligations

The Town, on behalf of the District, refunded bonds in prior years, which resulted in deferred bond premiums. These amounts are being amortized as a component of interest expense on a weighted-average basis over the life of the bonds in the district-wide statements as follows:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Year Ending December 31,</u>	<u>Amortization of Premium</u>
2026	\$ 82,597
2027	61,707
2028	39,882
2029	24,162
2030	14,823
2031	5,019
	\$ 228,190

E. Remedies Upon Default in Bond and Notes Payments

The notes are general obligations of the issuer secured by its faith and credit and a pledge to levy ad valorem taxes on all taxable real property, without limitation as to rate or amount, subject to applicable statutory tax levy limits. Under the related debt agreements, if the issuer fails to perform its obligations, holders may seek judicial remedies, including mandamus proceedings, to compel the levy and collection of such taxes and the application of available funds to the payment of principal interest; however, municipal property is generally not subject to execution or attachment to satisfy judgments. The issuer has also undertaken a continuing disclosure obligation that is enforceable solely by an action for mandamus or specific performance, and a breach of that undertaking does not constitute an event of default on the notes. The notes do not contain subjective acceleration clauses based on determinations of a material adverse change in the issuer's financial condition.

F. Interest Expense

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

Interest paid	\$ 785,350
Less: interest accrued in the prior year	(537,638)
Plus: interest accrued in the current year	529,851
Less: amortization of deferred premiums	(102,615)
Total expense	\$ 674,948

G. Authorized and Unissued Debt

In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4, and 7 to institute treatment for the removal of 1,4 Dioxane. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to Plant 5 to treat for emerging contaminants. As of December 31, 2025, the District issued \$2,979,000 in BANs through the Town, plus \$21,000 in BAN premiums that will be used to fund the projects, and \$35,150,420 remains unissued.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. PENSION PLANS – NEW YORK STATE

A. Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple employer, defined benefit, public employee retirement system. The system provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS is held in the New York State Common Retirement Fund ("the Fund"), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, 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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found on the NYS Comptroller's website at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

B. Funding Policy

The system is noncontributory for the employee except for those who either joined the system after July 27, 1976, with less than ten years of credited service, who contribute 3% of their salary, or joined the system on or after January 1, 2010 and before April 1, 2012, who contribute 3% of their salary throughout active membership. For employees hired after April 1, 2012, employee contribution rates are on a sliding scale based on salaries and range from 3% to 6% of salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the ERS for the current year. The District's average contribution rate was 14.73% of covered payroll for the ERS' fiscal year ending March 31, 2025.

The District's share of the required contributions, based on covered payroll for the District's year ended December 31, 2025, was \$239,461 at an average contribution rate of 14.56%.

C. Pension Asset/(Liability), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the system, which was measured as of March 31, 2025. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the system relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the District.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Measurement date	March 31, 2025
District's proportionate share of the net pension liability	\$ (803,916)
District's portion of the Plan's total net pension liability	0.0046887%
Change in proportion since the prior measurement date	0.0004362

For the year ended December 31, 2025, the District recognized pension expense of \$195,367 for the ERS. At December 31, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 199,537	\$ 9,412
Changes in assumptions	33,715	
Net difference between projected and actual earnings on pension plan investments	63,073	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	77,196	1,395
District contributions subsequent to the measurement date	<u>184,376</u>	
Total	<u>\$ 557,897</u>	<u>\$ 10,807</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 166,883
2027	228,276
2028	(50,460)
2029	<u>18,015</u>
	<u>\$ 362,714</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 valuation used the following actuarial assumptions:

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Inflation	2.90%
Salary increases	4.30%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2021. The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		March 31, 2025
Asset class		
Domestic equity	25.0%	3.54 %
International equity	14.0%	6.57 %
Real estate equity	12.0%	4.95 %
Private equity	15.0%	7.25 %
Alternative investments	11.0%	5.25-5.55%
Fixed income	22.0%	2.00 %
Cash	1.0%	0.25 %
	100.0%	

Real rates of return are net of long-term inflation assumption of 2.9% for ERS.

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 determined. Based upon the assumptions, the ERS’ fiduciary net position was projected to be

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

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

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	\$ (2,326,634)	\$ (803,916)	\$ 467,555

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the measurement date were as follows:

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

Prepayments to the Pension Plan

Employer contributions are paid annually based on the ERS' fiscal year, which ends on March 31st. Annual payments are due February 1st. An employer can elect to prepay the amount due by December 15th to receive a 1% discount. The District paid the annual invoice in December. This resulted in a prepayment of \$61,459 for the period of January 1, 2026 through March 31, 2026. Employee contributions are remitted monthly.

15. PENSION PLANS - OTHER

Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions to this plan. The amount deferred by eligible employees for the year ended December 31, 2025 totaled \$110,787.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

16. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions within the employee handbook. All full-time employees and commissioners who have completed 5 years of service to the District and who have become eligible for retirement, in accordance with the New York State Health Insurance Plan requirements, are eligible for benefits. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria set forth by GASB.

Benefits Provided – The District provides medical, dental, vision, and Medicare Part B coverage for eligible retirees. The benefit terms are outlined in the employee handbook.

Employee Covered Benefit Terms – At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Active employees	<u>19</u>
	<u><u>38</u></u>

B. Total OPEB Liability

The District’s total OPEB liability of \$8,728,755 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary increases	3.50%	average, including inflation
Discount rate	4.83%	
Healthcare cost trend rates	8.50%	decreasing to an ultimate rate of 4.50% by 2035
Retirees' share of benefit-related costs	0.00%	of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer’s 20 Bond Index, updated as of December 31, 2025 to reflect current interest rate trends.

Mortality rates were based on the PUB-10 mortality table projected fully generationally using projection scale MP-2021.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at December 31, 2024	\$ 9,188,190
Changes for the year	
Service cost	212,829
Interest on total OPEB liability	384,338
Changes in benefit terms	-
Differences between expected and actual experience	36,621
Changes in assumptions or other inputs	(643,057)
Benefit payments	(450,166)
	(459,435)
 Balance at December 31, 2025	 \$ 8,728,755

Changes of assumptions and other inputs reflect a change in the discount rate from 4.08% in 2024 to 4.83% in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83%) or 1 percentage point higher (5.83%) than the current discount rate:

	1% Decrease 3.83%	Discount Rate 4.83%	1% Increase 5.83%
OPEB			
Total OPEB liability	\$ (9,891,093)	\$ (8,728,755)	\$ (7,781,652)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.50% decreasing to 3.50%) or 1 percentage point higher (9.50% decreasing to 5.50%) than the current healthcare cost trend rate:

	1% Decrease 7.50% decreasing to 3.50%	Healthcare Cost Trend Rates 8.50% decreasing to 4.50%	1% Increase 9.50% decreasing to 5.50%
OPEB			
Total OPEB liability	\$ (7,836,877)	\$ (8,728,755)	\$ (9,828,622)

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

For the year ended December 31, 2025, the District recognized OPEB expense(credit) of \$(359,076). At December 31, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 179,001	\$ 142,368
Changes of assumptions	86,615	1,653,176
Total	\$ 265,616	\$ 1,795,544

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

Year Ending December 31,	Amount
2026	\$ (942,212)
2027	(490,893)
2028	(96,823)
	\$ (1,529,928)

17. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources at December 31, 2025, consist of unavailable revenues in the general fund for 3M settlement receivables, which are to be paid out through 2031, totaling \$1,657,199. Unavailable revenues in the capital projects fund at December 31, 2025, total \$5,286,111 and consist of amounts due from NYS grants that do not meet the availability criteria.

18. RESTRICTED FUND BALANCE – APPROPRIATED RESERVE

The District expects to appropriate \$2,000,000 from the debt service reserve, which is reported in the December 31, 2025 restricted fund balance, to pay down BAN principal for the year ending December 31, 2026.

19. TAX ABATEMENT PROGRAMS

The District is also subject to tax abatements granted by Nassau County Industrial Development Agency (NCIDA), an entity created as a New York State public benefit corporation. The NCIDA was established by Code Section 922, which became Chapter 674 of the Laws of 1975. The NCIDA offers sound commerce and industry base to prevent unemployment. At December 31, 2025, only the real estate tax abatement program offered by NCIDA impacts the District's revenues. Generally, a qualified project is an applicant submitted project that meets certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuer of NCIDA bonds, noted or other evidence of indebtedness with respect thereto, or 2) is a straight lease transaction, which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, as a condition of providing assistance, may require the benefitting company to remit a payment to offset the amount of taxes abated. During the year ended December 31, 2025, the agreements the NCIDA ratified resulted in an abatement of \$232,953 of the District's real property tax and the receipt of \$161,515 in PILOT.

The District also recognized \$163,614 in LIPA PILOT revenue; these LIPA payments are not the result of tax abatement agreements.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

20. RISK MANAGEMENT

The District insures against 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 not covered by insurance has been incurred and the amount of loss can be reasonable estimated. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

21. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At December 31, 2025, the District encumbered the following amounts:

Restricted:	
Capital Projects Fund	
Capital projects	<u>\$ 4,711,819</u>
Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	2,644
Purification	43,945
Transmission and Distribution	<u>114,975</u>
	<u>161,564</u>
	<u><u>\$ 4,873,383</u></u>

B. Grants

The District has received grants, which are subject to audit agencies of the state. Such audits may result in disallowances and a request for a return of funds. The District's administration believes disallowances, if any, would be immaterial.

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes the outcome of most matters will not have a material effect on these financial statements.

22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustments to or disclosure in the financial statements, except for the following:

A. Issuance of Bond Anticipation Notes

On March 5, 2026, the Town of Oyster Bay issued BANs on behalf of the District in the amount of \$20,315,335, including \$10,000,000 in new funding, which mature on March 5, 2027, and bear an interest rate of 4.00%.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

These BANs, along with \$2,900,000 in general fund appropriations, were used to pay \$13,215,335 in outstanding BANs.

B. Legal Settlements

On April 8, 2026, the District was notified that the claims administrator finalized its allocation awards related to the Tyco per- and polyfluoroalkyl substances (PFAS) Settlement and the BASF PFAS Settlement, resulting in gross awards to the District of \$690,020 and \$286,999, respectively, with the first net payments of \$539,595 and \$224,433 expected to be wired shortly thereafter, net of contingent legal fees of \$150,424 and \$62,566, respectively, with no related case expenses. The claims administrator is withholding an estimated 5% of total class awards in each settlement to resolve potential errors, and the District expects one or two additional distributions that may increase total proceeds; however, the exact timing and amount of any additional payments cannot presently be reasonably estimated.

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Real property taxes	\$ 6,149,655	\$ 6,149,655	\$ 6,149,705	\$ 50
Other tax items	175,000	175,000	325,129	150,129
Program revenues				
Metered water sales	4,820,000	4,820,000	4,886,818	66,818
Construction water charges	176,000	176,000	130,949	(45,051)
Hydrant rentals	117,000	117,000	117,000	-
Fire line fees	139,200	139,200	139,200	-
Miscellaneous charges	45,000	45,000	46,700	1,700
Penalties on water sales	65,000	65,000	72,635	7,635
Total program revenues	5,362,200	5,362,200	5,393,302	31,102
Use of money and property	200,000	200,000	809,019	609,019
Sale of property and compensation for loss				
Insurance recoveries	5,000	21,800	36,380	14,580
Compensation for loss - settlements		1,200,651	3,579,147	2,378,496
Sale of equipment	1,000	1,000	214	(786)
Sales of scrap and excess materials	1,500	1,500	4,162	2,662
Sales of water supplies			7,665	7,665
Total sale of property and compensation for loss	7,500	1,224,951	3,627,568	2,402,617
Miscellaneous				
Other unclassified revenue		96,165	140,877	44,712
Total Revenues	11,894,355	13,207,971	16,445,600	\$ 3,237,629
Appropriated Fund Balance				
Appropriated Assignments		2,344,300		
Prior Year's Encumbrances	239,892	239,892		
Appropriated Reserves	1,800,000	1,920,994		
Total Appropriated Fund Balance	2,039,892	4,505,186		
Total Revenues and Appropriated Fund Balance	\$ 13,934,247	\$ 17,713,157		

Note to Required Supplementary Information

Budget Basis of Accounting

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

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund, Continued
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
Water Administration					
Superintendent	\$ 185,325	\$ 102,825	\$ 99,366	\$	\$ 3,459
Office salaries	391,750	446,750	446,381		369
Commissioners fees	73,440	73,440	65,840		7,600
Telephone and communications	54,100	54,100	40,276		13,824
Information technology	75,350	75,350	60,853	581	13,916
Office expense	61,090	61,090	52,276	2,063	6,751
Postage	53,000	53,000	47,069		5,931
Professional fees	292,000	307,000	260,195		46,805
Legal fees - settlements	-	1,200,651	1,200,651		-
Insurance	250,000	250,000	215,543		34,457
Conferences, dues, and education	39,500	39,500	29,780		9,720
Election expense	5,500	5,500	4,531		969
Building maintenance	60,000	60,000	27,421		32,579
MTA tax	4,000	4,000	1,411		2,589
Contingency	200,000	15,750			15,750
Total Water Administration	<u>1,745,055</u>	<u>2,748,956</u>	<u>2,551,593</u>	<u>2,644</u>	<u>194,719</u>
Source of Supply, Power & Pumping					
Diesel and natural gas	50,000	65,000	60,837		4,163
Electricity	1,350,000	1,376,000	1,375,595		405
Total Source of Supply, Power & Pumping	<u>1,400,000</u>	<u>1,441,000</u>	<u>1,436,432</u>	<u>-</u>	<u>4,568</u>
Purification					
Salaries	489,500	489,500	475,401		14,099
Treatment - Lime	305,000	305,000	277,001		27,999
Treatment - Chlorine	104,284	104,284	83,424		20,860
Treatment - Peroxide	125,000	125,000	117,463		7,537
Treatment - Sodium Chloride	75,000	34,000			34,000
Treatment - G.A.C.	360,000	360,000	261,906		98,094
Laboratory sample and analysis	506,925	309,799	286,549		23,250
Plant tools and supplies	80,000	80,000	53,248	19,958	6,794
Plant repairs and maintenance	329,297	605,173	462,396	23,987	118,790
Plant grounds and security	36,500	39,000	27,660		11,340
Total Purification	<u>2,411,506</u>	<u>2,451,756</u>	<u>2,045,048</u>	<u>43,945</u>	<u>362,763</u>
Transmission and Distribution					
Salaries	657,000	657,000	607,645		49,355
Road restoration	75,000	100,000	88,896		11,104
Mains and hydrants	105,000	151,800	87,605		64,195
Valve repair	30,000	23,000			23,000
Service installs	45,000	42,000	41,796		204
Auto expense	165,994	291,988	148,873	114,975	28,140
Uniforms	13,000	13,000	11,499		1,501
Distribution tools and supplies	35,494	35,494	23,998		11,496
Purchase of meters and supplies	257,308	295,308	287,728		7,580
Distribution services	70,000	70,000	68,252		1,748
Total Transmission and Distribution	<u>1,453,796</u>	<u>1,679,590</u>	<u>1,366,292</u>	<u>114,975</u>	<u>198,323</u>

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund, Continued
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Employee Benefits					
NYS employees' retirement system	\$ 212,000	\$ 239,500	\$ 239,461	\$	\$ 39
Social security	121,000	129,500	129,324		176
Workers' compensation	50,000	42,900	37,326		5,574
Unemployment	1,000	2,100	303		1,797
Life insurance premiums	9,000	9,000	6,610		2,390
Disability insurance	7,500	7,500	6,248		1,252
NYS health insurance plan	1,175,000	1,152,500	1,063,361		89,139
Dental plan	95,000	115,000	105,645		9,355
Optical plan	25,000	25,000	23,052		1,948
Medicare reimbursement	58,010	58,010	54,567		3,443
Supplemental insurance	50,000	50,000	44,359		5,641
Flex spending plan fees	1,000	1,000	625		375
Total Employee Benefits	<u>1,804,510</u>	<u>1,832,010</u>	<u>1,710,881</u>	<u>-</u>	<u>121,129</u>
Debt Service					
Principal	3,684,030	3,780,195	3,759,195		21,000
Interest	785,350	785,350	785,350		-
Total Debt Service	<u>4,469,380</u>	<u>4,565,545</u>	<u>4,544,545</u>	<u>-</u>	<u>21,000</u>
Total Expenditures	13,284,247	14,718,857	13,654,791	161,564	902,502
Other Financing Uses					
Operating transfers out	650,000	2,994,300	2,449,916	-	544,384
Total Expenditures and Other Uses	<u>\$ 13,934,247</u>	<u>\$ 17,713,157</u>	<u>16,104,707</u>	<u>\$ 161,564</u>	<u>\$ 1,446,886</u>
Net Change in Fund Balances			340,893		
Fund Balances - Beginning of Year			<u>15,599,328</u>		
Fund Balances - End of Year			<u>\$ 15,940,221</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

PLAINVIEW WATER DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
 Last Ten Fiscal Years

	<i>Employees' Retirement System</i>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0046887%	0.0042525%	0.0040118%	0.0038281%	0.0038306%	0.0044098%	0.0053386%	0.0053777%	0.0061439%	0.0071261%
District's proportionate share of the net pension asset/(liability)	\$ (803,916)	\$ (626,135)	\$ (860,302)	\$ 312,932	\$ (3,814)	\$ (1,167,730)	\$ (378,259)	\$ (173,561)	\$ (577,297)	\$ (1,143,753)
District's covered payroll	\$ 1,532,554	\$ 1,496,160	\$ 1,406,003	\$ 1,348,793	\$ 1,332,243	\$ 1,271,204	\$ 1,332,186	\$ 1,440,430	\$ 1,630,317	\$ 1,745,196
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	52.46%	41.85%	61.19%	23.20%	0.29%	91.86%	28.39%	12.05%	35.41%	65.54%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

PLAINVIEW WATER DISTRICT
Schedule of District Pension Contributions
 Last Ten Fiscal Years

Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 239,461	\$ 208,510	\$ 166,928	\$ 163,506	\$ 200,162	\$ 180,742	\$ 196,599	\$ 218,624	\$ 261,091	\$ 285,653
Contributions in relation to the contractually required contribution	239,461	208,510	166,928	163,506	200,162	180,742	196,599	218,624	261,091	285,653
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,645,052	\$ 1,576,041	\$ 1,490,692	\$ 1,397,239	\$ 1,330,802	\$ 1,290,421	\$ 1,289,718	\$ 1,440,430	\$ 1,523,888	\$ 1,628,509
Contributions as a percentage of covered payroll	15%	13%	11%	12%	15%	14%	15%	15%	17%	18%

PLAINVIEW WATER DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 212,829	\$ 297,999	\$ 257,728	\$ 610,684	\$ 585,470	\$ 357,001	\$ 253,007	\$ 318,387
Interest on total OPEB liability	384,338	330,943	345,362	270,669	265,059	268,099	317,711	357,009
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	36,621	-	(1,266,351)	-	1,309,018	-	(1,986,906)	-
Changes of assumptions or other inputs	(643,057)	(1,081,413)	770,426	(2,893,400)	(28,236)	1,019,898	1,732,531	(1,049,170)
Benefit payments	(450,166)	(422,531)	(367,150)	(384,752)	(333,190)	(299,527)	(263,812)	(321,652)
Net change in total OPEB liability	(459,435)	(875,002)	(259,985)	(2,396,799)	1,798,121	1,345,471	52,531	(695,426)
Total OPEB liability, beginning	9,188,190	10,063,192	10,323,177	12,719,976	10,921,855	9,576,384	9,523,853	10,219,279
Total OPEB liability, ending	<u>\$ 8,728,755</u>	<u>\$ 9,188,190</u>	<u>\$ 10,063,192</u>	<u>\$ 10,323,177</u>	<u>\$ 12,719,976</u>	<u>\$ 10,921,855</u>	<u>\$ 9,576,384</u>	<u>\$ 9,523,853</u>
Covered employee payroll	\$ 1,662,699	\$ 1,786,693	\$ 1,743,115	\$ 1,666,547	\$ 1,625,899	\$ 1,539,365	\$ 1,501,819	\$ 1,263,417
Total OPEB liability as a percentage of covered employee payroll	524.98%	514.26%	577.31%	619.44%	782.33%	709.50%	637.65%	753.82%
Discount rate	4.83%	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%
Healthcare trend rates	8.50% to 4.50% by 2035	6.00% to 5.00% by 2027	6.50% to 5.00% by 2027	6.50% to 5.00% by 2025	7.00% to 5.00% by 2025	6.50% to 5.00% by 2023	7.00% to 5.00% by 2023	8.00% to 5.00% by 2021
Plan changes	None	None	None	None	None	None	None	None

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria as set forth by GASB to pay related benefits.

PLAINVIEW WATER DISTRICT
Schedule of Expenditures and Financing Sources - Capital Projects Fund
For the Year Ended December 31, 2025

PROJECT TITLE	Budget 12/31/24	Budget 12/31/25	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance 12/31/25
			Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources	Total	
AOP Permanent Treatment at Plant 3	\$ 1,986,029	\$ 2,638,529	\$	\$ 137,485	\$ 137,485	\$ 2,501,044	\$ 1,986,029	\$	\$ 652,500	\$ 2,638,529	\$ 2,501,044
AOP Treatment at Plant 4	9,079,415	9,079,415	7,121,480	1,355,465	8,476,945	602,470	5,076,409	3,983,526	19,480	9,079,415	602,470
Plant 4 Nitrate & Perchlorate Treatment	7,266,604	7,266,604	5,936,547	791,959	6,728,506	538,098	4,602,950	2,626,200	37,454	7,266,604	538,098
Plant 5 Emerging Contaminant Removal	30,430,000	30,430,000	817,196	3,182,098	3,999,294	26,430,706	30,390,000		40,000	30,430,000	26,430,706
Flow Meter at Plant 5	6,900	106,900	4,150	90,195	94,345	12,555			106,900	106,900	12,555
GAC Enclosure at Plant 7	2,201,543	2,201,543	2,042,365	52,928	2,095,293	106,250			2,201,543	2,201,543	106,250
AOP Enclosure at Plant 7	147,900	1,839,700	137,888	689,273	827,161	1,012,539			1,839,700	1,839,700	1,012,539
Debt Issuance Costs	99,055	113,819	99,055	14,764	113,819	-	113,819			113,819	-
Unallocated 2019 Bond Funds	9,187,048	9,172,284			-	9,172,284	9,172,284			9,172,284	9,172,284
Totals	\$ 60,404,494	\$ 62,848,794	\$ 16,158,681	\$ 6,314,167	\$ 22,472,848	\$ 40,375,946	\$ 51,341,491	\$ 6,609,726	\$ 4,897,577	\$ 62,848,794	40,375,946
									Revenue not yet recognized:		
									Bond proceeds		(35,150,420)
									Grants		(1,682,037)
									General fund assignment		133,080
										Fund Balance	<u>\$ 3,676,569</u>

