

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

MANHASSET, NEW YORK

FINANCIAL STATEMENTS

MAY 31, 2022

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SKINNON AND FABER
Certified Public Accountants, P.C.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Plandome Heights basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Village, as of May 31, 2022, 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 Opinion

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements

in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAs, P.C.

Islandia, New York

September 16, 2022

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Management's Discussion and Analysis (Unaudited)

The Board of Trustees of the Incorporated Village of Plandome Heights (the "Village"), would like to offer readers of the Village's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended May 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position increased by \$427,940 for the fiscal year ended May 31, 2022. A condensed summary of the Village's Statement of Net Position for the current year is detailed below.

Condensed Statement of Net Position – Governmental Activities

	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Assets		
Current and Other Assets	\$ 1,142,729	\$ 790,537
Capital Assets (net)	852,792	451,196
Total Assets	<u>1,995,521</u>	<u>1,241,733</u>
Liabilities		
Other Liabilities	380,382	54,534
Total Liabilities	<u>380,382</u>	<u>54,534</u>
Net Position		
Net Investment in Capital Assets	852,792	451,196
Restricted	5,796	19,345
Unrestricted	756,551	716,658
Total Net Position	<u>\$ 1,615,139</u>	<u>\$ 1,187,199</u>

Net investment in capital assets is the Village's investment in capital assets such as furnishings and equipment, miscellaneous structures and infrastructure reduced by accumulated depreciation. This figure also includes land, which is not depreciated. More detailed information can be found in the Notes to the Financial Statements.

Change in Net Position

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

Change in Net Position from Operating Results – Governmental Activities

	For the Years Ended	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Revenues		
Program Revenues:		
Fines, Fees and Charges for Services	\$ 110,824	\$ 68,733
Operating Grants and Contributions	12,493	-
Capital Grants and Contributions	461,284	-
General Revenues:		
Real Property Taxes and Related Tax Items	356,463	357,273
Non Property Tax Items	27,866	27,837
Use of Money and Property	1,488	2,750
State and Federal Aid	35,294	31,932
Other Miscellaneous Revenues	248	443
Total Revenues	<u>1,005,960</u>	<u>488,968</u>
Expenses		
Governmental Activities:		
General Government Support	252,380	225,157
Public Safety	57,052	48,879
Transportation	67,981	65,592
Culture and Recreation	12,918	28,765
Home and Community Services	187,689	145,748
Total Expenses	<u>578,020</u>	<u>514,141</u>
Change in Net Position	427,940	(25,173)
Net Position - Beginning of Year	<u>1,187,199</u>	<u>1,212,372</u>
Net Position - End of Year	<u>\$ 1,615,139</u>	<u>\$ 1,187,199</u>

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

The Village had an excess of revenue over expenses of \$427,940. This result is the product of the multi-year planning approach employed by the Village. No significant individual economic factor affected the results.

The Village had an increase in total revenue from the prior year of \$516,992. The Village was awarded New York State grants of \$175,000 and CHIPs funding of another \$80,000. These funds have been utilized for road projects. Additionally, the Village received \$181,634 from National Grid for road work.

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund balance increased by \$33,701 to \$720,661. Of this amount, \$520,000 is assigned for future capital projects under the Village's capital plan and \$10,500 has been assigned to the subsequent year budget.

The Capital Projects Fund balance decreased by \$6,391 to \$35,675. Of this amount \$29,879 is assigned for future road projects, and \$5,796 is restricted for Parkland.

BUDGETARY ANALYSIS

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

The following variances exist between the final budget and actual results for the year ended May 31, 2022:

Revenues:

- Actual revenues exceeded budgeted amounts by \$80,998.
- Actual revenue from licenses and permits was \$40,092 higher than budgeted due to increased construction and renovation activities in the Village.
- Reported revenue that was not budgeted includes \$12,493 from FEMA for reimbursement of storm costs and \$24,650 of American Rescue Plan Funding.

Expenditures:

- Actual expenditures were \$41,697 higher than budgeted.
- Actual expenditures related to General Government Support were \$33,902 higher than the final budgeted amount. This variation was a result of increased occupancy charges and legal fees.

None of the variations between budgeted and actual results are expected to affect future services or liquidity.

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

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Village's investment in capital assets as of May 31, 2022 totaled \$852,792 (net of accumulated depreciation). As of May 31, 2022, the Village had no long-term debt.

There were no significant changes in the assessed condition of eligible infrastructure assets.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The economic conditions of the Village mirror those of the rest of the region. The Village faces increasing costs and shrinking revenues from non property tax revenue. The administration has been diligent in containing expenses without sacrificing services to the residents.

The World Health Organization characterized the COVID-19 virus as a global pandemic on March 11, 2020. The duration and economic impact of this pandemic are uncertain. At this time, management is unable to quantify its potential effects on the operations and financial performance of the Village.

The Village applied for funding under the American Rescue Plan Act (ARPA). The first payment of \$52,205 was received during the fiscal year. The second payment of the same amount was received on July 15, 2022.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Incorporated Village of Plandome Heights
Arlene Drucker, Clerk - Treasurer
37 Orchard Street
Manhasset, New York 11030

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Statement of Net Position

May 31, 2022

Assets

Cash and Cash Equivalents	\$	860,699
Restricted Cash		5,796
Accounts Receivable		11,223
Due from Other Governments		259,000
Prepaid Expenses		6,011
Capital Assets (net)		852,792
		<hr/>
Total Assets		1,995,521
		<hr/>

Liabilities

Accounts Payable		327,441
Accrued Liabilities		17,800
Guaranty and Bid Deposits		2,500
Unearned Revenue		27,555
Due to Other Governments		5,086
		<hr/>
Total Liabilities		380,382
		<hr/>

Net Position

Net Investment in Capital Assets		852,792
Restricted		5,796
Unrestricted		756,551
		<hr/>
Total Net Position	\$	1,615,139
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See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statement of Activities
For the Year Ended May 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) / Revenue</u>
		<u>Fines, Fees and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General Government Support	\$ 252,380	\$ 440	\$ -	\$ -	\$ (251,940)
Public Safety	57,052	110,384	-	-	53,332
Transportation	67,981	-	-	461,284	393,303
Culture and Recreation	12,918	-	-	-	(12,918)
Home and Community Services	187,689	-	12,493	-	(175,196)
Total Governmental Activities	<u>\$ 578,020</u>	<u>\$ 110,824</u>	<u>\$ 12,493</u>	<u>\$ 461,284</u>	<u>6,581</u>
General Revenues:					
					356,463
Real Property Taxes and Related Tax Items					27,866
Non Property Tax Items					1,488
Use of Money and Property					35,294
State and Local Aid					248
Other Miscellaneous Revenue					<u>421,359</u>
					427,940
					<u>1,187,199</u>
					<u>\$ 1,615,139</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Balance Sheets

May 31, 2022

Governmental Funds

Assets	General	Capital Projects	Total
Assets:			
Cash and Cash Equivalents	\$ 523,046	\$ 337,653	\$ 860,699
Restricted Cash	-	5,796	5,796
Accounts Receivable	11,223	-	11,223
Due from Other Funds	275,000	-	275,000
Due from Other Governments	4,000	255,000	259,000
	Total Assets	Total	Total
	\$ 813,269	\$ 598,449	\$ 1,411,718
 Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 39,667	\$ 287,774	\$ 327,441
Accrued Expenses	17,800	-	17,800
Guaranty and Bid Deposits	2,500	-	2,500
Unearned Revenue	27,555	-	27,555
Due to Other Funds	-	275,000	275,000
Due to Other Governments	5,086	-	5,086
	Total Liabilities	Total	Total
	92,608	562,774	655,382
 Fund Balance:			
Restricted	-	5,796	5,796
Assigned	530,500	29,879	560,379
Unassigned	190,161	-	190,161
	Total Fund Balance	Total	Total
	720,661	35,675	756,336
	Total Liabilities and Fund Balance	Total	Total
	\$ 813,269	\$ 598,449	\$ 1,411,718

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Reconciliation of the Governmental Funds Balance Sheets
to the Statement of Net Position
For the Year Ended May 31, 2022

Total Fund Balance - Governmental Funds \$ 756,336

This amount differs from the net position in the Statement of Net Position due to the following:

Amounts for prepaid expenses are included in the government-wide financial statements as assets and are added. 6,011

Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation. 852,792

Total Net Position \$ 1,615,139

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statements of Revenues, Expenditures and Change in Fund Balances
All Governmental Fund Types
For the Year Ended May 31, 2022

	<u>Governmental Funds</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Real Property Taxes	\$ 354,369	\$ -	\$ 354,369
Real Property Tax Items	2,094	-	2,094
Non Property Tax Items	27,866	-	27,866
Departmental Income	18,292	-	18,292
Use of Money and Property	1,260	228	1,488
Licenses and Permits	92,092	-	92,092
Fines and Forfeitures	440	-	440
Minor Sales	248	-	248
State and Local Aid	72,437	436,634	509,071
	<u>569,098</u>	<u>436,862</u>	<u>1,005,960</u>
Total Revenues			
	<u>569,098</u>	<u>436,862</u>	<u>1,005,960</u>
Expenditures			
General Government Support	232,152	-	232,152
Public Safety	53,603	-	53,603
Transportation	24,528	448,853	473,381
Culture and Recreation	12,774	-	12,774
Home and Community Services	187,689	-	187,689
Employee Benefits	19,051	-	19,051
	<u>529,797</u>	<u>448,853</u>	<u>978,650</u>
Total Expenditures			
	<u>529,797</u>	<u>448,853</u>	<u>978,650</u>
Other Financing Sources (Uses)			
Transfers In	-	5,600	5,600
Transfers Out	(5,600)	-	(5,600)
	<u>(5,600)</u>	<u>5,600</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>(5,600)</u>	<u>5,600</u>	<u>-</u>
Net Change in Fund Balances	33,701	(6,391)	27,310
Fund Balances at Beginning of Year	686,960	42,066	729,026
Fund Balances at End of Year	<u>\$ 720,661</u>	<u>\$ 35,675</u>	<u>\$ 756,336</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Reconciliation of the Statements of Revenues, Expenditures and Change
in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended May 31, 2022

Net Change in Fund Balances for Total Governmental Funds \$ 27,310

This amount differs from the change in net position in the Statement of Activities due to the following:

Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. 401,596

Expenditures for certain insurance premiums are recorded in the governmental funds when the payments are due. In the Statement of Activities, these costs are allocated over the policy period that they pertain to. (966)

Change in Net Position of Governmental Activities in the Statement of Activities \$ 427,940

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

The Incorporated Village of Plandome Heights, which was established in 1929, is governed by local village law, general laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Treasurer serves as chief fiscal officer.

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

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

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

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. No other organizations have been included or excluded from the reporting entity.

B. BASIS OF PRESENTATION

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

1. Government-wide Financial Statements:

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All interfund balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities.

2. Fund Financial Statements:

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

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

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

Fund Categories

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

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

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

3. Equity Classifications:

Government-wide Financial Statements

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

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

Fund Financial Statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), breaks fund balance out into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- b. *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.
- c. *Committed* consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.
- d. *Assigned* consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

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

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

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

Expenditures are recorded when the liability is incurred except that:

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

D. CASH AND CASH EQUIVALENTS

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

E. PROPERTY TAXES

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

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

F. BUDGETARY DATA

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

- a. No later than March 20, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board.
- d. Budgets are adopted annually on a basis consistent with generally accepted accounting principles.
- e. Appropriations in all budgeted funds lapse at the end of the fiscal year, except outstanding encumbrances which are re-apportioned in the subsequent year.

G. CAPITAL ASSETS

Capital assets, which include land, infrastructure, miscellaneous structures, and furnishings and equipment are reported in the government-wide financial statements. The Village defines capital assets with an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets acquired in a service concession arrangement are recorded at acquisition value. Depreciation has been recorded using the straight-line method over 20 years for infrastructure and miscellaneous structures, and 5-20 years for furnishings and equipment. Land is not depreciated. General infrastructure assets acquired or constructed prior to June 1, 2004 are not reported in the financial statements.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

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

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

H. INSURANCE

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

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results may differ from those estimates.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time.

K. UNEARNED REVENUE/COLLECTIONS IN ADVANCE

Unearned revenues are reported when the Village receives resources before it has a legal claim to them as a result of an exchange transaction. In subsequent periods, when the funds are available, the liability for unearned revenues is removed and revenues are recorded.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

II. DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. Cash and Investments:

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

Collateral is required for demand deposits and certificates of deposit as provided by law of all deposits not covered by federal deposit insurance (FDIC). Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

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

They consisted of:

Deposits

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

Bank balances for the Village's deposits with financial institutions at May 31, 2022 totaled \$920,260 and are covered by federal deposit insurance or third-party collateral as follows:

Amount FDIC - Insured	\$	474,923
Amount Collateralized by Third Parties		445,337
		920,260
Total Amounts		\$ 920,260

2. Interfund Receivables and Payables:

Temporary advances between funds and unpaid interfund charges will be reimbursed subsequent to year end. The interfund receivable and payable balances at May 31, 2022 are as follows:

	Amount Receivable	Amount Payable
General Fund	\$ 275,000	\$ -
Capital Fund	-	275,000
	\$ 275,000	\$ 275,000

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

3. Changes in Capital Assets:

A summary of changes in capital assets follows:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Capital Assets that are not Depreciated:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Nondepreciable Cost	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital Assets that are Depreciated:				
Furnishings and Equipment	38,499	-	-	38,499
Miscellaneous Structures	21,474	-	-	21,474
Infrastructure	1,438,314	448,854	-	1,887,168
Total Depreciable Cost	<u>1,498,287</u>	<u>448,854</u>	<u>-</u>	<u>1,947,141</u>
Less:				
Accumulated Depreciation:				
Furnishings and Equipment	(26,773)	(3,538)	-	(30,311)
Miscellaneous Structures	(10,987)	(837)	-	(11,824)
Infrastructure	(1,019,331)	(42,883)	-	(1,062,214)
Total Accumulated Depreciation	<u>(1,057,091)</u>	<u>(47,258)</u>	<u>-</u>	<u>(1,104,349)</u>
Net Capital Assets that are Depreciated	<u>441,196</u>	<u>401,596</u>	<u>-</u>	<u>842,792</u>
Grand Total	<u>\$ 451,196</u>	<u>\$ 401,596</u>	<u>\$ -</u>	<u>\$ 852,792</u>

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

Governmental Activities:

General Government Support	\$ 3,660
Transportation	43,454
Culture and Recreation	144
Total Depreciation Expense - Governmental Activities	<u>\$ 47,258</u>

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

B. FUND BALANCE

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

For committed fund balances:

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

For assigned fund balances:

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

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

The Village has authorized the following fund balance designations:

	General Fund	Capital Projects Fund
Restricted Fund Balance:		
Parkland	\$ -	\$ 5,796
Total Restricted Fund Balance	\$ -	\$ 5,796
Assigned, Appropriated:		
Subsequent Year's Budget	\$ 10,500	\$ -
Total Assigned, Appropriated Fund Balance	\$ 10,500	\$ -
Assigned, Unappropriated:		
Future Capital Projects	\$ 520,000	\$ -
Road Work	-	29,879
Total Assigned, Unappropriated Fund Balance	\$ 520,000	\$ 29,879

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2022

C. CONCENTRATIONS OF RISK

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

D. COMMITMENTS AND CONTINGENCIES

State Grants

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

Tax Certiorari

The Village is involved in a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposures in these cases are indeterminable at this time.

Contracts and Leases

In June 2017, the Village entered into an agreement for garbage collection and disposal. The contract is for a period of seven years ending May 31, 2024. Minimum payments for the years ending May 31 are:

2023	\$	141,896
2024		144,734

In May 2011, the Village entered into a lease for the Village offices for the period ending July 31, 2015. The lease was extended for an additional three-year period ending on July 31, 2018. In August 2018, the lease was extended for an additional four-year period ending July 31, 2022. Subsequent to May 31, 2022 the lease was extended for an additional three-year period ending July 31, 2025. Minimum payments for the years ending May 31 are required as follows:

2023	\$	20,940
2024		21,490
2025		21,600
2026		3,600

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2022

Other

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

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

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report management cannot reasonably determine the impact of COVID-19 on the Village's operations and financial position.

E. SUBSEQUENT EVENTS

The Village has evaluated subsequent events subsequent to May 31, 2022 and the date that these financial statements were available to be issued, September 16, 2022, that would have a material impact on these financial statements.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended May 31, 2022
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Real Property Taxes	\$ 355,000	\$ 355,000	\$ 354,369
Real Property Tax Items	-	-	2,094
Non Property Tax Items	27,200	27,200	27,866
Departmental Income	5,500	5,500	18,292
Use of Money and Property	2,000	2,000	1,260
Licenses and Permits	52,000	52,000	92,092
Fines and Forfeitures	1,500	1,500	440
Minor Sales	300	300	248
State and Local Aid	34,100	34,100	72,437
Appropriated Surplus	10,500	10,500	-
Total Revenues	<u>488,100</u>	<u>488,100</u>	<u>569,098</u>
Expenditures:			
General Government Support	198,250	198,250	232,152
Public Safety	45,000	45,000	53,603
Transportation	54,000	54,000	24,528
Culture and Recreation	-	-	12,774
Home and Community Services	171,400	171,400	187,689
Employee Benefits	19,450	19,450	19,051
Total Expenditures	<u>488,100</u>	<u>488,100</u>	<u>529,797</u>
Other Financing Sources (Uses)			
Transfers Out	-	-	(5,600)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,600)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	33,701
Fund Balance at Beginning of Year			<u>686,960</u>
Fund Balance at End of Year			<u>\$ 720,661</u>

See Notes to the Financial Statements