

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

MANHASSET, NEW YORK

FINANCIAL STATEMENTS

MAY 31, 2023

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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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Plandome Heights' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Village, as of May 31, 2023, 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 (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 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.



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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAs, P.C.
Hauppauge, New York
November 20, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position increased by \$18,585 for the fiscal year ended May 31, 2023. 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, 2023</u>	<u>May 31, 2022</u>
Assets		
Current and Other Assets	\$ 935,827	\$ 1,142,729
Capital Assets (net)	848,371	852,792
Total Assets	<u>1,784,198</u>	<u>1,995,521</u>
Liabilities		
Current and Other Liabilities	104,832	380,382
Long-Term Liabilities	<u>45,642</u>	<u>-</u>
Total Liabilities	<u>150,474</u>	<u>380,382</u>
Net Position		
Net Investment in Capital Assets	802,729	852,792
Restricted	-	5,796
Unrestricted	830,995	756,551
Total Net Position	<u>\$ 1,633,724</u>	<u>\$ 1,615,139</u>

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

Change in Net Position

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

Change in Net Position from Operating Results – Governmental Activities

	For the Years Ended	
	<u>May 31, 2023</u>	<u>May 31, 2022</u>
Revenues		
Program Revenues:		
Fines, Fees and Charges for Services	\$ 87,328	\$ 110,824
Operating Grants and Contributions	47,428	12,493
Capital Grants and Contributions	13,148	461,284
General Revenues:		
Real Property Taxes and Related Tax Items	360,529	356,463
Non Property Tax Items	31,174	27,866
Other Revenues	78,635	37,030
Total Revenues	<u>618,242</u>	<u>1,005,960</u>
Expenses		
Governmental Activities:		
General Government Support	262,157	252,380
Public Safety	71,162	57,052
Transportation	84,899	67,981
Culture and Recreation	15,241	12,918
Home and Community Services	166,198	187,689
Total Expenses	<u>599,657</u>	<u>578,020</u>
Change in Net Position	18,585	427,940
Net Position - Beginning of Year	<u>1,615,139</u>	<u>1,187,199</u>
Net Position - End of Year	<u>\$ 1,633,724</u>	<u>\$ 1,615,139</u>

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

The Village had an excess of revenues over expenses of \$18,585. 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 a decrease in total revenue from the prior year of \$387,718. The Village received significant New York State grants and CHIPs funding in the prior year, which lead to this decrease.

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund balance increased by \$76,263 to \$796,924. Of this amount, \$596,000 is assigned for future capital projects under the Village's capital plan, \$15,250 has been assigned to the subsequent year budget, and \$2,965 is classified as nonspendable due to prepaid expenses.

The Capital Projects Fund balance decreased by \$9,387 to \$26,288. The entirety of the fund balance is assigned for future road projects.

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, 2023:

Revenues:

- Actual revenues exceeded budgeted amounts by \$80,970.
- Actual revenue from departmental income was \$13,980 higher than budgeted. The Village continued to experience unusually high amounts of construction in the Village that began during the COVID-19 pandemic, resulting in higher than anticipated revenues from zoning fees.
- Actual revenue from use of money and property was \$20,240 higher than budgeted due to an increase in interest rates and the opening of new bank accounts.
- Actual revenue from other compensation for loss was \$17,438 higher than budgeted due to funds received from a class action lawsuit.
- Actual revenue from State and Federal aid was \$13,913 higher than budgeted due to the Village receiving ARPA funding, which was used for the digitization of Village records during the fiscal year.

Expenditures:

- Actual expenditures were \$4,707 higher than budgeted.
- Actual expenditures related to Public Safety were \$18,230 higher than the final budgeted amount. This variation was a result of the Deputy Clerk of buildings working more hours throughout this fiscal year.
- Actual expenditures related to Transportation were \$28,224 lower than the final budgeted amount. This variation was a result of the Village budgeting for street signs and street repairs, which were not needed during the fiscal year, as well as snow removal fees being \$9,755 under budget.

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

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

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Village's investment in capital assets as of May 31, 2023 totaled \$848,371 (net of accumulated depreciation and amortization). The Village had capital asset additions totaling \$74,527 for the year; of this amount, \$8,976 related to the Parkland Sign Project. The remaining \$65,551 related to the intangible right-of-use asset for office space. As of May 31, 2023, the Village had no long-term debt.

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 Village applied for funding under the American Rescue Plan Act (ARPA). The first payment of \$52,205 was received during the prior fiscal year. The second payment for 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
Kenneth Riscica - Mayor
37 Orchard Street
Manhasset, New York 11030

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Statement of Net Position

May 31, 2023

Assets

Cash and Cash Equivalents	\$	910,210
Accounts Receivable		9,681
Taxes Receivable		2,460
Due from Other Governments		4,000
Prepaid Expenses		9,476
Capital Assets (net)		<u>848,371</u>
Total Assets		<u>1,784,198</u>

Liabilities

Accounts Payable		37,353
Due to Other Governments		4,864
Guaranty and Bid Deposits		3,500
Unearned Revenue		59,115
Long-term Liabilities:		
Due within one year:		
Lease Liability		24,884
Due in more than one year:		
Lease Liability		<u>20,758</u>
Total Liabilities		<u>150,474</u>

Net Position

Net Investment in Capital Assets		802,729
Unrestricted		<u>830,995</u>
Total Net Position	\$	<u>1,633,724</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statement of Activities
For the Year Ended May 31, 2023

<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	\$ 262,157	\$ 3,090	\$ 45,643	\$ -	\$ (213,424)
Public Safety	71,162	84,238	-	-	13,076
Transportation	84,899	-	-	13,148	(71,751)
Culture and Recreation	15,241	-	-	-	(15,241)
Home and Community Services	166,198	-	1,785	-	(164,413)
Total Governmental Activities	<u>\$ 599,657</u>	<u>\$ 87,328</u>	<u>\$ 47,428</u>	<u>\$ 13,148</u>	<u>(451,753)</u>

General Revenues:

Real Property Taxes and Related Tax Items	360,529
Non Property Tax Items	31,174
Intergovernmental Charges	6,903
Use of Money and Property	24,294
State and Local Aid	26,883
Minor Sales and Other Compensation for Loss	17,738
Miscellaneous Local Sources	<u>2,817</u>
Total General Revenues	<u>470,338</u>
Change in Net Position	18,585
Net Position - Beginning of Year	<u>1,615,139</u>
Net Position - End of Year	<u>\$ 1,633,724</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Balance Sheets

May 31, 2023

	Governmental Funds		
Assets	General	Capital Projects	Total
Assets:			
Cash and Cash Equivalents	\$ 883,922	\$ 26,288	\$ 910,210
Accounts Receivable	9,681	-	9,681
Taxes Receivable	2,460	-	2,460
Due from Other Governments	4,000	-	4,000
Prepaid Expenses	2,965	-	2,965
Total Assets	\$ 903,028	\$ 26,288	\$ 929,316
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts Payable	\$ 37,353	\$ -	\$ 37,353
Due to Other Governments	4,864	-	4,864
Guaranty and Bid Deposits	3,500	-	3,500
Unearned Revenue	59,115	-	59,115
Total Liabilities	104,832	-	104,832
Deferred Inflows of Resources			
Deferred Revenue	1,272	-	1,272
Total Deferred Inflows of Resources	1,272	-	1,272
Fund Balance:			
Nonspendable	2,965	-	2,965
Assigned	611,250	26,288	637,538
Unassigned	182,709	-	182,709
Total Fund Balance	796,924	26,288	823,212
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 903,028	\$ 26,288	\$ 929,316

See Notes to the Financial Statements

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Reconciliation of the Governmental Funds Balance Sheets
to the Statement of Net Position
For the Year Ended May 31, 2023

Total Fund Balance - Governmental Funds \$ 823,212

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

Certain Amounts for prepaid expenses are included in the government-wide financial statements as assets and are added. 6,511

Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation. 848,371

Long-term liabilities for operating leases are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position. (45,642)

Revenues that are earned and measurable but not available to provide financial resources are deferred in the fund statements, but are recognized as revenue in the government-wide statements and are added. 1,272

Total Net Position \$ 1,633,724

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Statements of Revenues, Expenditures and Change in Fund Balances
For the Year Ended May 31, 2023

	Governmental Funds		
	General	Capital Projects	Total
Revenues:			
Real Property Taxes	358,451	\$ -	\$ 358,451
Real Property Tax Items	806	-	806
Non Property Tax Items	31,174	-	31,174
Departmental Income	19,480	-	19,480
Intergovernmental Charges	6,903	-	6,903
Use of Money and Property	23,740	554	24,294
Licenses and Permits	64,758	-	64,758
Fines and Forfeitures	3,090	-	3,090
Minor Sales and Other Compensation for Loss	17,738	-	17,738
Miscellaneous Local Sources	2,817	-	2,817
State and Federal Aid	49,313	38,146	87,459
	<u>578,270</u>	<u>38,700</u>	<u>616,970</u>
Expenditures:			
General Government Support	213,543	29,130	242,673
Public Safety	65,230	-	65,230
Transportation	20,276	9,980	30,256
Culture and Recreation	14,871	8,977	23,848
Home and Community Services	166,198	-	166,198
Employee Benefits	21,889	-	21,889
	<u>502,007</u>	<u>48,087</u>	<u>550,094</u>
Net Change in Fund Balances	76,263	(9,387)	66,876
Fund Balances at Beginning of Year	<u>720,661</u>	<u>35,675</u>	<u>756,336</u>
Fund Balances at End of Year	<u>\$ 796,924</u>	<u>\$ 26,288</u>	<u>\$ 823,212</u>

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, 2023

Net Change in Fund Balances for Total Governmental Funds \$ 66,876

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. (49,646)

Revenues are recorded in the governmental fund when they become susceptible to accrual, that is when they are earned, measurable and available to provide current financial resources. In the Statement of Activities, revenues are recognized when they are earned and measurable, regardless of when they become available. 1,272

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. 500

Certain expenses related to operating lease liabilities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. (417)

Change in Net Position of Governmental Activities in the Statement of Activities \$ 18,585

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2023

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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village 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 Clerk/Treasurer serves as chief fiscal officer.

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

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

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

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement Numbers 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. 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 summaries 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, 2023

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 regard 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 and custodial 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

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, 2023

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 or 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.

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

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

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

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2023

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

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.

Material revenues that are accrued include real property taxes, State and Federal aid, mortgage tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenue from 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:

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

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. Penalties and interest are imposed pursuant to the Real Property Tax Law.

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

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. Amortization has been recorded using the straight-line method over 3 years. Land is not depreciated. General infrastructure assets acquired or constructed prior to June 1, 2004 are not reported in the financial statements.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Notes to the Financial Statements

For the Year Ended May 31, 2023

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including potential contingent liabilities and useful lives of long-lived assets.

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, 2023

L. CHANGE IN ACCOUNTING STANDARD AND RESTATEMENT

During the fiscal year ended May 31, 2023, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of Statement No. 87 is to enhance the relevance and consistency of information of the Village's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Village's financial statements and had no effect on beginning net position or fund balance. On the Statement of Net Position, the Village recognized a right to use asset as of June 1, 2022 related to its operating lease for office space, due to the implementation of GASB Statement No. 87; this amount was offset by a lease liability of the same amount.

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 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. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

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

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

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, 2023 totaled \$448,380 and are covered by federal deposit insurance or third-party collateral as follows:

Amount FDIC - Insured	\$ 448,380
Total Amount	\$ 448,380

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

The Village's investments of \$465,725 have been recorded as cash equivalents in the general fund. This amount represents the cost of the investment pool shares and is considered approximate to market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Asset Securities System (NYCLASS), which may be obtained from NYCLASS., 717 17th Street, Suite 1850, Denver, CO 80202.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

2. Changes in Capital Assets:

A summary of changes in capital assets follows:

	Balance May 31, 2022	Additions	Reductions	Balance May 31, 2023
Capital Assets that are not Depreciated/Amortized:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Nondepreciable Cost	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital Assets that are Depreciated/Amortized:				
Furnishings and Equipment	38,499	-	-	38,499
Miscellaneous Structures	21,474	8,976	-	30,450
Infrastructure	1,887,168	-	-	1,887,168
Intangible Right-of-use Asset	-	65,551	-	65,551
Total Depreciable/Amortized Cost	<u>1,947,141</u>	<u>74,527</u>	<u>-</u>	<u>2,021,668</u>
Less:				
Accumulated Depreciation/Amortization:				
Furnishings and Equipment	(30,311)	(3,488)	-	(33,799)
Miscellaneous Structures	(11,824)	(1,062)	-	(12,886)
Infrastructure	(1,062,214)	(54,072)	-	(1,116,286)
Intangible Right-of-use Asset	-	(20,326)	-	(20,326)
Total Accumulated Depreciation/Amortization	<u>(1,104,349)</u>	<u>(78,948)</u>	<u>-</u>	<u>(1,183,297)</u>
Net Capital Assets that are Depreciated/Amortized	<u>842,792</u>	<u>(4,421)</u>	<u>-</u>	<u>838,371</u>
Grand Total	<u>\$ 852,792</u>	<u>\$ (4,421)</u>	<u>\$ -</u>	<u>\$ 848,371</u>

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

Governmental Activities:

General Government Support	\$ 21,121
Transportation	57,683
Culture and Recreation	144
Total Depreciation Expense - Governmental Activities	<u>\$ 78,948</u>

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

B. LONG-TERM LIABILITIES

Lease

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance May 31, 2023
Office Space	7/31/2022	3 Years	\$ 20,940	2.023%	\$ 65,551	\$ 45,642
Total Lease Agreements						\$ 45,642

The Village occupies office space in Manhasset, New York. In May 2011, the Village entered into a lease for the office space through July 31, 2015, with options for extension. In August 2018, the lease was extended for an additional four-year period ending July 31, 2022. In August 2022, an additional extension was agreed upon through July 31, 2025. There are no additional options for extension in the current lease agreement.

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

Year Ending	Principal	Interest
May 31		
2024	\$ 20,758	\$ 732
2025	21,293	307
2026	3,591	9
	<u>\$ 45,642</u>	<u>\$ 1,048</u>

C. FUND BALANCE

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

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

2. For assigned fund balances:

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

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

As of May 31, 2023, nonspendable and assigned fund balance consisted of the following:

	General Fund	Capital Projects Fund
Nonspendable Fund Balance:		
Prepaid Items	\$ 2,965	\$ -
Total Nonspendable Fund Balance	\$ 2,965	\$ -
Assigned Fund Balance:		
Future Capital Projects	\$ 596,000	\$ -
Road Work	-	26,288
Subsequent Year's Budget	15,250	-
Total Assigned Fund Balance	\$ 611,250	\$ 26,288

D. CONCENTRATIONS OF RISK

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

E. COMMITMENTS AND CONTINGENCIES

State and Federal Grants

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

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Notes to the Financial Statements
For the Year Ended May 31, 2023

Tax Certiorari

From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in the assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2023 which could affect future operating budgets of the Village.

Contracts

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 year ending May 31 are:

2024 \$ 144,734

Litigation

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

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

F. SUBSEQUENT EVENTS

The Village has evaluated subsequent events subsequent to May 31, 2023 and the date that these financial statements were available to be issued, November 20, 2023, that would have a material impact on these financial statements.

INCORPORATED VILLAGE OF PLANDOME HEIGHTS
Required Supplementary Information
For the Year Ended May 31, 2023
(Unaudited)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Real Property Taxes	360,000	\$ 360,000	\$ 358,451
Real Property Tax Items	1,900	1,900	806
Non Property Tax Items	25,700	25,700	31,174
Departmental Income	5,500	5,500	19,480
Intergovernmental Charges	-	-	6,903
Use of Money and Property	3,500	3,500	23,740
Licenses and Permits	53,000	53,000	64,758
Fines and Forfeitures	1,500	1,500	3,090
Minor Sales and Other Compensation for Loss	300	300	17,738
Miscellaneous Local Sources	-	-	2,817
State and Federal Aid	35,400	35,400	49,313
Appropriated Surplus	10,500	10,500	-
	<u>497,300</u>	<u>497,300</u>	<u>578,270</u>
Expenditures:			
General Government Support	207,500	207,500	213,543
Public Safety	47,000	47,000	65,230
Transportation	48,500	48,500	20,276
Culture and Recreation	17,000	17,000	14,871
Home and Community Services	157,500	157,500	166,198
Employee Benefits	19,800	19,800	21,889
	<u>497,300</u>	<u>497,300</u>	<u>502,007</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	76,263
Fund Balance at Beginning of Year			<u>720,661</u>
Fund Balance at End of Year			<u>\$ 796,924</u>

See Notes to the Financial Statements