



FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITOR'S REPORT  
May 31, 2022

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Incorporated Village of Plandome Manor  
Manhasset, New York

### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Plandome Manor, as of June 30, 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 Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

### ***Management's Responsibility 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, and schedule of changes in the Village's service award program liability on pages 3 through 11 and 32 through 34, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Cullen & Danowski, LLP*

January 6, 2023

**INCORPORATED VILLAGE OF PLANDOME MANOR  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

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The Incorporated Village of Plandome Manor’s (Village) discussion and analysis of the financial performance provides an overall review of the Village’s financial activities for the fiscal year ended May 31, 2022, in comparison with the year ended May 31, 2021, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2022 are as follows:

- The Village’s total net position, as reflected in the government-wide financial statements, decreased by \$76,193. This was due to an excess of expenses over revenues of using the economic resources measurement focus and the accrual basis of accounting.
- The Village’s expenses for the year, as reflected in the government-wide financial statements, totaled \$1,071,841. Of this amount, \$201,209 was offset by program charges for services and capital grants. General revenues of \$794,439 amount to 79.8% of total revenues and were not adequate to cover the balance of program expenses.
- The general fund’s total fund balance, as reflected in the fund financial statements, increased by \$9,945. This was due to an excess of revenues and other financing sources over expenditures using the current financial resources measurement focus and the modified accrual basis of accounting.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – Management’s Discussion and Analysis (MD&A) (this section), the financial statements and required supplementary information. The financial statements consist of government-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**A. Government-Wide Financial Statements**

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

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

The Statement of Net Position

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

The Statement of Activities

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

**B. Fund Financial Statements**

The fund financial statements provide more detailed information about the Village's funds, not the Village as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Village are reported in the governmental funds.

Governmental Funds

Governmental fund financial statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the Village incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, claims and judgments, and pension costs, which are recognized as expenditures to the extent the related liabilities mature each period. Additionally, capital assets acquisitions are reported as expenditures.

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

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

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

**3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

**A. Net Position**

The Village's total net position decreased by \$76,193 between fiscal year 2021 and 2022. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the Village's Statements of Net Position follows:

	2022	2021	Increase (Decrease)	Percentage Change
<b>Assets</b>				
Current and Other Assets	\$ 1,382,578	\$ 1,361,704	\$ 20,874	1.53 %
Capital Assets, Net	<u>1,047,456</u>	<u>1,097,616</u>	<u>(50,160)</u>	(4.57)%
Total Assets	<u>2,430,034</u>	<u>2,459,320</u>	<u>(29,286)</u>	(1.19)%
<b>Deferred Outflows of Resources</b>	<u>25,968</u>	<u>29,517</u>	<u>(3,549)</u>	(12.02)%
<b>Liabilities</b>				
Current and Other Liabilities	110,296	64,562	45,734	70.84 %
Service Award Program Liability	<u>76,078</u>	<u>78,281</u>	<u>(2,203)</u>	(2.81)%
Total Liabilities	<u>186,374</u>	<u>142,843</u>	<u>43,531</u>	30.47 %
<b>Deferred Inflows of Resources</b>	<u>36,982</u>	<u>37,155</u>	<u>(173)</u>	(0.47)%
<b>Net Position</b>				
Net Investment in Capital Assets	1,047,456	1,097,616	(50,160)	(4.57)%
Restricted	39,909	31,278	8,631	27.59 %
Unrestricted	<u>1,145,281</u>	<u>1,179,945</u>	<u>(34,664)</u>	(2.94)%
Total Net Position	<u>\$ 2,232,646</u>	<u>\$ 2,308,839</u>	<u>\$ (76,193)</u>	(3.30)%

The increase in current and other assets is primarily related to increases in cash and prepaids, offset by decreases in accounts receivable, and due from state and federal.

The decrease in capital assets, net is due to depreciation expense. The accompanying Notes to Financial Statements, Note 10 "Capital Assets" provides additional information.

Deferred outflows of resources represents actuarial adjustments of the LOSAP plan that will be amortized in future years.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

The increase in current and other liabilities is mainly due to an increase in collections in advance.

The service award program liability decreased as represented by the Village's share of the Volunteer Fire Department service award program (LOSAP) liability, at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 12 "Length of Service Award Program (LOSAP)" provides additional information.

Deferred inflows of resources represents actuarial adjustments of the LOSAP plan that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation.

The restricted amount represents the Village's proportionate share of the service award program assets.

The unrestricted amount relates to the balance of the Village's net position.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended May 31, 2022 and May 31, 2021 is as follows:

	2022	2021	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 190,592	\$ 722,583	\$ (531,991)	(73.62)%
Capital Grants	10,617	138,338	(127,721)	(92.33)%
General Revenues				
Real Property Taxes	699,250	675,000	24,250	3.59 %
State Sources	46,686	41,038	5,648	13.76 %
Other	48,503	53,556	(5,053)	(9.43)%
Total Revenues	<u>995,648</u>	<u>1,630,515</u>	<u>(634,867)</u>	(38.94)%
<b>Expenses</b>				
General Government Support	510,587	442,741	67,846	15.32 %
Public Safety	148,024	169,787	(21,763)	(12.82)%
Transportation	113,163	570,611	(457,448)	(80.17)%
Home & Community Services	300,067	290,683	9,384	3.23 %
Total Expenses	<u>1,071,841</u>	<u>1,473,822</u>	<u>(401,981)</u>	(27.27)%
Increase (Decrease) in Net Position	<u>\$ (76,193)</u>	<u>\$ 156,693</u>	<u>\$ (232,886)</u>	(148.63)%

The Village's net position decreased by \$76,193 and increased by \$156,693 for the years ended May 31, 2022 and May 31, 2021, respectively.



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

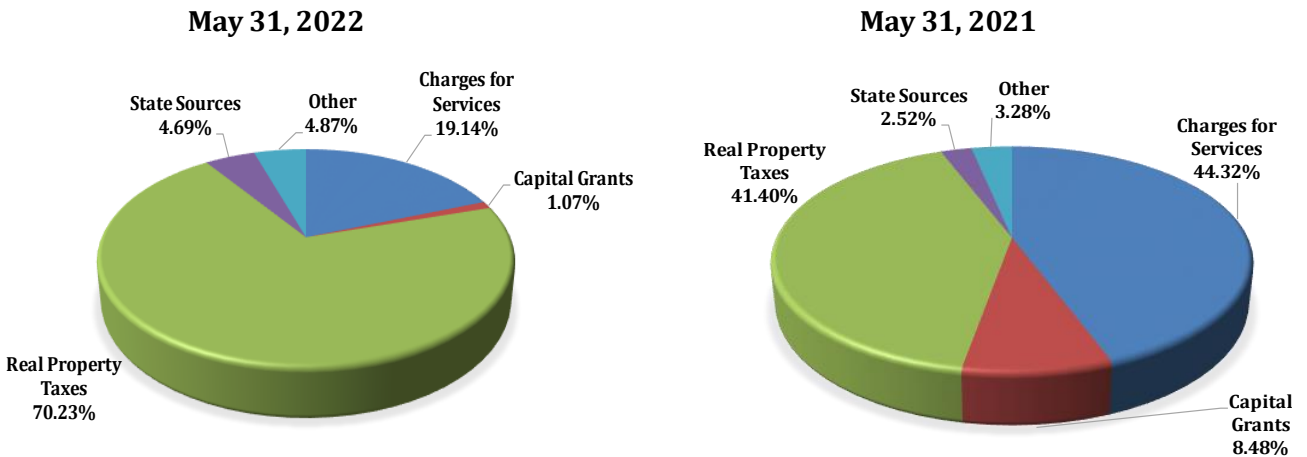
- Charges for services decreased due to the reimbursement of expenditures related to the paving of a private road in the prior year, which did not occur in the current year.
- Capital grants decreased because projects were completed in the prior year and the revenues were recognized in the prior year.

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

- Transportation expenses decreased due to road repairs of a private road, which occurred in the prior year and was not needed in the current year.
- General government support increased due to an increase in engineering fees for potential capital projects in upcoming budgets.
- Public safety expenses decreased based on the impact of the net change in the actuarially determined service award program expense.

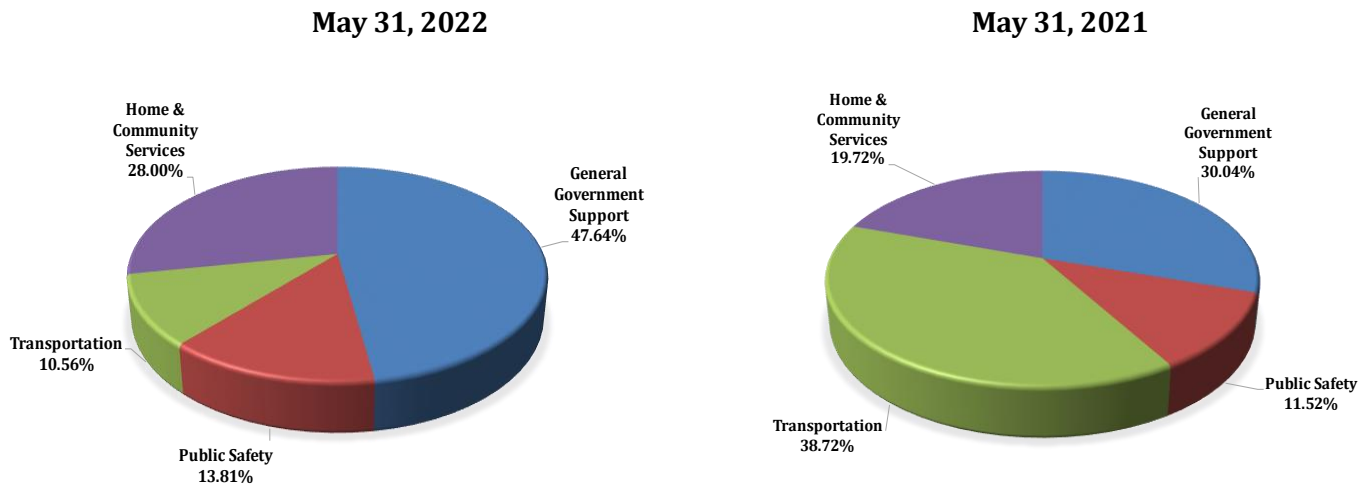
As indicated on the pie charts that follow, real property taxes is the largest component of revenues recognized (i.e., 70.23% and 41.40% of the total revenues for the years May 31, 2022 and May 31, 2021, respectively). General government support and transportation expenses are the largest categories of expenses incurred (i.e., 47.64% and 38.72% of the total expenses for the years May 31, 2022 and May 31, 2021, respectively).

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



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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



**4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUND BALANCE**

At May 31, 2022, the Village's governmental funds reported a combined fund balance of \$1,247,091, which is a decrease of \$25,055 from the prior year. This decrease is due to an excess of expenditures over revenues using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2022	2021	Increase (Decrease)	Percentage Change
<b>General Fund</b>				
Nonspendable: Prepays	\$ 30,164	\$ 16,428	\$ 13,736	83.61 %
Restricted: Service award program	39,909	31,278	8,631	27.59 %
Assigned: Appropriated fund balance	280,000	275,000	5,000	1.82 %
Unassigned fund balance	745,874	763,296	(17,422)	(2.28)%
	<u>1,095,947</u>	<u>1,086,002</u>	9,945	0.92 %
<b>Capital Projects Fund</b>				
Assigned: Unappropriated fund balance	151,144	186,144	(35,000)	(18.80)%
<b>Total Fund Balance</b>	<u>\$ 1,247,091</u>	<u>\$ 1,272,146</u>	<u>\$ (25,055)</u>	(1.97)%

**A. General Fund**

The net change in the general fund – fund balance is an increase of \$9,945 compared to an increase of \$78,744 in 2021. This resulted from revenues and other financing sources in excess of expenditures.

Revenues and other financing sources decreased by \$584,580 or 36.20%, as compared to the prior year. The following is a summary of major changes:

- Departmental income decreased because the Village was reimbursed in full for expenditures related to the paving of a private road in the prior year. The project was completed in the prior year.
- State sources decreased because the Village received reimbursements for capital grants projects in the prior year that were completed.
- Real property tax revenue increased in accordance with the board approved budget.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

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Expenditures decreased by \$515,781 or 33.57% from the prior year. The following is a summary of the major changes:

- Transportation decreased for the paving of a private road in the prior year, for which the Village was reimbursed in full.
- General government support increased due to engineering expenditures for potential projects in future budgets.
- Employee benefits decreased based on the impact of the net change in the actuarially determined service award program expense.

**B. Capital Projects Fund**

The capital projects fund – fund balance decreased as a result of an operating transfer to the general fund.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2021-2022 Budget**

The Village’s general fund original budget for the year ended May 31, 2022, was \$1,489,023.

The final budget was funded through estimated revenues and appropriated fund balance. The majority of estimated revenues was in real property taxes, and state sources.

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

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

Opening, Unassigned Fund Balance	\$ 763,296
Revenues Under Budget	(183,570)
Expenditures Under Budget	468,515
Increase in Nonspendable Fund Balance	(13,736)
Change in Restricted Fund Balance	(8,631)
Appropriated for the 2023 Budget	<u>(280,000)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 745,874</u></u>

**Opening, Unassigned Fund Balance**

The \$763,296 shown in the table is the portion of the Village’s May 31, 2021 fund balance that was retained as unassigned fund balance.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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Revenues Under Budget

The 2021-2022 final budget for revenues was \$1,214,023. Actual revenues recognized for the year were \$1,030,453 and were less than the estimated or budgeted revenues by \$183,570, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures Under Budget

The 2021-2022 final budget for expenditures as of May 31, 2022, was \$1,489,023. Actual expenditures as of May 31, 2022, were \$1,020,508. The final budget variance was \$468,515, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Increase in Nonspendable Fund Balance

Nonspendable fund balance increased to reflect the increase in prepaids, which has the effect of decreasing the unassigned fund balance.

Change in Restricted Fund Balance

The \$8,631 shown in the above table is the Village's proportionate share of the increase in LOSAP assets, which has the effect of decreasing the unassigned fund balance.

Appropriated Fund Balance

The Village has chosen to use \$280,000 of its available May 31, 2022 fund balance to partially fund the 2022-2023 approved operating budget. As such, the unassigned portion of the May 31, 2022 fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary of changes shown in the previous table, the Village will begin the 2022-2023 fiscal year with an unassigned fund balance of \$745,874. This is a decrease of \$17,422 from the unassigned balance as of May 31, 2021.

**6. CAPITAL ASSETS**

At May 31, 2022, the Village had invested in a broad range of capital assets, as indicated in the table below. The net decrease in capital assets is due to depreciation expense of \$50,160 recorded for the year ended May 31, 2022. A summary of the Village's capital assets, net of accumulated depreciation at May 31, 2022 and 2021 is as follows:

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

	2022	2021	Increase (Decrease)
Land	\$ 2,980	\$ 2,980	\$ -
Machinery and equipment	5,229	9,597	(4,368)
Infrastructure	1,039,247	1,085,039	(45,792)
Capital assets, net	\$ 1,047,456	\$ 1,097,616	\$ (50,160)

**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**A. Subsequent Year's Budget**

The Board of Trustees approved a \$1,252,236 general fund budget for the year ending May 31, 2023. This is a decrease of \$236,787 or 15.90% from the previous year's budget. The decrease is principally in transportation (\$264,086), and employee benefits (\$27,600), offset by increases in home and community services (\$39,400) and general government support (\$15,422).

The Village budgeted for non-property tax revenues at a \$261,787 decrease from the prior year's estimate. The assigned, appropriated fund balance applied to the budget in the amount of \$280,000 is an increase of \$5,000 over the previous year. A property tax increase of \$20,000 or 2.86% (tax levy to tax levy) was needed to meet the funding shortfall.

**B. Future Budgets**

Dwindling support of initiatives established during the pandemic, the continued need for additional resources, fluctuating rates in this inflationary environment and charges for goods and services may impact the Village's future budgets.

**C. Tax Cap**

New York State law limits the increase in the property tax levy of local governments to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Local governments may override the tax levy limit by first passing a local law that allows for the tax levy limit to be exceeded. The override vote requires a 60% vote of the total voting power of the governing board. Based on the law, the Village's tax levy cap for 2022-2023 was an increase of 3.08%. The Village's 2022-2023 property tax increase of 2.86% was less than the tax cap and did not require an override vote.

**8. CONTACTING THE VILLAGE**

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. Requests for additional information can be directed to:

Mayor Barbara Donno  
Incorporated Village of Plandome Manor  
55 Manhasset Avenue  
Manhasset, NY 11030

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Statement of Net Position**  
May 31, 2022

**ASSETS**

Cash	
Unrestricted	\$ 1,270,336
Receivables	
Accounts receivable	5,472
Taxes receivable	24,080
Due from state and federal	3,829
Due from other governments	8,788
Prepays	30,164
Service award program	39,909
Capital assets:	
Not being depreciated	2,980
Being depreciated, net of accumulated depreciation	<u>1,044,476</u>
 Total Assets	 <u>2,430,034</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Service award program	<u>25,968</u>
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**LIABILITIES**

Payables	
Accounts payable	11,956
Due to other governments	553
Other liabilities	51,531
Unearned credits	
Collections in advance	46,256
Long-term liabilities	
Service award program liability	<u>76,078</u>
 Total Liabilities	 <u>186,374</u>

**DEFERRED INFLOWS OF RESOURCES**

Service award program	<u>36,982</u>
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**NET POSITION**

Net investment in capital assets	1,047,456
Restricted: Service award program	39,909
Unrestricted	<u>1,145,281</u>
 Total Net Position	 <u>\$ 2,232,646</u>

**INCORPORATED VILLAGE OF PLANDOME MANOR**

**Statement of Activities**

For the Year Ended May 31, 2022

		Program Revenues		Net (Expense)
	Expenses	Charges for	Capital	Revenue and
		Services	Grants	Changes in
				Net Assets
<b>FUNCTIONS/PROGRAMS</b>				
General government support	\$ 510,587	\$ 190,592	\$	\$ (319,995)
Public safety	148,024			(148,024)
Transportation	113,163		9,170	(103,993)
Home and community services	<u>300,067</u>		<u>1,447</u>	<u>(298,620)</u>
 Total Functions and Programs	 <u>\$ 1,071,841</u>	 <u>\$ 190,592</u>	 <u>\$ 10,617</u>	 <u>(870,632)</u>
 <b>GENERAL REVENUES</b>				
Real property taxes				699,250
Other tax items				5,853
Non-property tax items				26,431
Use of money and property				2,461
Sale of property and compensation for loss				1,848
Miscellaneous				11,910
State sources				<u>46,686</u>
 Total General Revenues				 <u>794,439</u>
 Change in Net Position				 (76,193)
 Total Net Position - Beginning of year				 <u>2,308,839</u>
 Total Net Position - End of year				 <u>\$ 2,232,646</u>

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Balance Sheet - Governmental Funds**  
 May 31, 2022

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash			
Unrestricted	\$ 1,116,646	\$ 153,690	\$ 1,270,336
Receivables			
Accounts receivable	5,472		5,472
Taxes receivable	24,080		24,080
Due from other funds	2,546		2,546
Due from state and federal	3,829		3,829
Due from other governments	8,788		8,788
Prepays	30,164		30,164
Service award program	39,909		39,909
	<u>1,231,434</u>	<u>153,690</u>	<u>1,385,124</u>
Total Assets	<u>\$ 1,231,434</u>	<u>\$ 153,690</u>	<u>\$ 1,385,124</u>
<b>LIABILITIES</b>			
Payables			
Accounts payable	\$ 11,956	\$	\$ 11,956
Due to other funds		2,546	2,546
Due to other governments	553		553
Other liabilities	51,531		51,531
Unearned credits			
Collections in advance	46,256		46,256
	<u>110,296</u>	<u>2,546</u>	<u>112,842</u>
Total Liabilities	<u>110,296</u>	<u>2,546</u>	<u>112,842</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	25,191		25,191
<b>FUND BALANCES</b>			
Nonspendable: Prepays	30,164		30,164
Restricted: Service award program	39,909		39,909
Assigned:			
Appropriated fund balance	280,000		280,000
Unappropriated fund balance		151,144	151,144
Unassigned: Fund balance	745,874		745,874
	<u>1,095,947</u>	<u>151,144</u>	<u>1,247,091</u>
Total Fund Balances	<u>1,095,947</u>	<u>151,144</u>	<u>1,247,091</u>
	<u>\$ 1,231,434</u>	<u>\$ 153,690</u>	<u>\$ 1,385,124</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,231,434</u>	<u>\$ 153,690</u>	<u>\$ 1,385,124</u>



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
May 31, 2022

Total Governmental Fund Balances \$ 1,247,091

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some of the Village's revenues will be collected after the year end , but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position. 25,191

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

Original cost of capital assets	\$ 1,567,107	
Less: Accumulated depreciation	<u>(519,651)</u>	1,047,456

Proportionate share of long-term liability and deferred outflows and inflows associated with participation in the service award program are not current financial resources or obligations and are not reported in the funds.

Deferred outflows of resources	25,968	
Service award program liability	(76,078)	
Deferred inflows of resources	<u>(36,982)</u>	<u>(87,092)</u>

Total Net Position \$ 2,232,646

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
For the Year Ended May 31, 2022

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Real property taxes	\$ 701,148	\$	\$ 701,148
Other tax items	5,853		5,853
Non-property tax items	24,338		24,338
Departmental income	179,725		179,725
Use of money and property	2,461		2,461
Licenses and permits	6,250		6,250
Fines and forfeitures	4,617		4,617
Sale of property and compensation for loss	1,848		1,848
Miscellaneous	11,910		11,910
State sources	55,856		55,856
Federal sources	1,447		1,447
	<u>995,453</u>	<u>-</u>	<u>995,453</u>
<b>EXPENDITURES</b>			
General government support	435,429		435,429
Public safety	157,686		157,686
Transportation	67,371		67,371
Home and community services	300,067		300,067
Employee benefits	59,955		59,955
	<u>1,020,508</u>	<u>-</u>	<u>1,020,508</u>
Deficiency of Revenues Over Expenditures	<u>(25,055)</u>	<u>-</u>	<u>(25,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	35,000		35,000
Operating transfers (out)		(35,000)	(35,000)
	<u>35,000</u>	<u>(35,000)</u>	<u>-</u>
Net Change in Fund Balance	9,945	(35,000)	(25,055)
Fund Balance - Beginning of year	<u>1,086,002</u>	<u>186,144</u>	<u>1,272,146</u>
Fund Balance - End of year	<u>\$ 1,095,947</u>	<u>\$ 151,144</u>	<u>\$ 1,247,091</u>

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

Net Change in Fund Balance \$ (25,055)

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

Long-Term Revenue Differences

In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received). 195

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlays and other additions in the period.

Capital outlays and other additions	\$ -	
Depreciation expense	(50,160)	
	(50,160)	(50,160)

Pension Differences

The change in the proportionate share of the collective pension expense of the service award program reported in the Statement of Activities did not affect current financial resources and, therefore, is not reported in the governmental funds.

Service award program		(1,173)
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Change in Net Position of Governmental Activities		\$ (76,193)
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**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Incorporated Village of Plandome Manor (the “Village”), which was established in 1931, is governed by its Charter, New York State Village Law and other 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 the Chief Executive Officer and the Treasurer serves as the Chief Fiscal Officer.

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

**A. Financial Reporting Entity**

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the Village, organizations for which the Village is financially accountable and other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The following basic services are provided: General support, public safety (fire protection and safety inspections), transportation (street maintenance), and home and community service (sanitation).

The accompanying financial statements present the activities of the Village. The Village is not a component unit of another reporting entity. The decision to include a potential component unit in the Village’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the Village’s reporting entity.

**B. Basis of Presentation**

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the Village. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflect capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the Village at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the Village’s governmental activities. Program expenses are those that are specifically associated with and are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including real property taxes, are presented as general revenues.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Fund Financial Statements

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

**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 emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the Village's major governmental funds:

**General Fund** - is the principal operating fund of the Village and is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - is used to account for and report financial resources to be used for the acquisition, construction, renovation or major repair of capital facilities and other capital assets.

**C. Measurement Focus and Basis of Accounting**

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

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

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenue to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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debt, pension costs, as well as expenditures related to claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

**D. Real Property Taxes**

Real property taxes are levied no later than May 15<sup>th</sup> and become a lien on June 1<sup>st</sup>. The Village collects its own taxes. Taxes are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1<sup>st</sup>, and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes can be collected through tax lien sales.

**E. Restricted Resources**

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

**F. Interfund Transactions**

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

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

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

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

**G. Use of Estimates**

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

**H. Cash**

Cash consists of cash on hand, bank deposits and investments with a maturity date of three months or less.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**I. Restricted Assets**

Certain balances are restricted by various legal and contractual obligations.

**J. Receivables**

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

**K. Prepaids**

Prepaids represent payments made by the Village for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the Statement of Net Position and Balance Sheet using the consumption method. Under the consumption method, a current asset for the prepaids is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

**L. Restricted Length of Service Award Program Investments**

The Village jointly sponsors the Port Washington Fire Department, Inc. Service Award Program, a defined benefit pension plan, and has reported service award program assets. The underlying assets are reported at fair value based on quoted market prices and includes equity mutual funds.

The service award program assets are restricted for the purpose of providing benefits to the participants of the plan.

**M. Capital Assets**

Capital assets are reflected in the government-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information.

All capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Machinery and equipment	\$ 500	5
Infrastructure	500	30

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**N. Deferred Outflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Village has one item that meets this criterion in the Statement of Net Position - deferrals of benefit payments and administration costs paid related to the Port Washington Fire Department Service Award Program, subsequent to the measurement date, as well as changes in assumptions.

**O. Collections in Advance**

Collections in advance arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the Village has a legal claim to the resources.

**P. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period that will not be recognized as an inflow of resources (revenue/expense credit) until that time. The Village has two items that qualify for reporting in this category. First is unavailable revenues report in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the government-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the change in the Village's proportion of the net difference between projected and actual earnings on pension plan investments, as well as changes in assumptions related to the Port Washington Fire Department Service Award Program.

**Q. Equity Classifications**

Government-Wide Statements

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

*Net investment in capital assets* – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisitions, construction and improvements of those assets.

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

*Unrestricted* – Reports all other amounts that do not meet the definition of the above two classifications.

Fund Statements

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

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



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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*Restricted* – The Village established a defined benefit plan for the active volunteer firefighters in the service award program (Plan) of the Port Washington Fire Department. The Plan provides municipally funded pension-like benefits and the Village is one of six Villages who sponsor the Plan. The Village reports the value of its proportionate share of the assets available for benefits as restricted in the general fund.

*Assigned* – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Village’s Board of Trustees. 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. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget.

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

**Fund Balance Classification**

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

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

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

**2. FUTURE ACCOUNTING STANDARD**

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB standards issued, but the statement that the Village feels may have a future impact on these financial statements. The Village will evaluate the impact of this pronouncement and implement it, as applicable, if material.

<b>Effective for the Year Ending</b>	<b>Statement</b>
May 31, 2023	GASB No. 87 - <i>Leases</i>

GASB Statement No. 87 will change the reporting of leases in the government-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

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

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

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

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

Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned.

Capital Related Differences

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

Pension Differences

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

**4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget Policies**

The Village's administration submits a tentative budget to the Board of Trustees for review. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund. A public hearing is held on the tentative budget by April 15<sup>th</sup>. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1<sup>st</sup>. All subsequent modifications of the budget must be approved by the Board of Trustees.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at fiscal year-end, unless expended or encumbered.

Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Trustees as a result of selected new revenue sources not included in the original budget (when permitted by law) and by the appropriation of fund balance. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP.

**5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

The Village's investment policies are governed by state statutes and Village policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

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

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

The Village's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the Village's behalf at year-end.

**6. INTERFUND TRANSACTIONS**

Interfund balances at May 31, 2022, are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 2,546	\$	\$ 35,000	\$
Capital Projects Fund		2,546		35,000
	\$ 2,546	\$ 2,546	\$ 35,000	\$ 35,000

The transfer from the capital projects fund to the general fund represents the return of unexpended amounts on capital projects originally funded by general fund appropriations.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**7. ACCOUNTS RECEIVABLE**

Accounts receivable at May 31, 2022 consisted of:

Franchise tax	\$	1,655
Permit fees		3,817
		\$ 5,472

Village management expects this amount to be fully collectible.

**8. DUE FROM STATE AND FEDERAL**

Due from state and federal at May 31, 2022 consisted of \$3,829 due from the State of New York for AIM-Related Payments. Village management expects this amount to be fully collectible.

**9. DUE FROM OTHER GOVERNMENTS**

Due from other governments at May 31, 2022 consisted of \$8,788 for mortgage tax due from the County of Nassau. Village management expects this amount to be fully collectible.

**10. CAPITAL ASSETS**

**A. Changes**

Capital asset balances and activity for the year ended May 31, 2022, were as follows:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,980	\$	\$	\$ 2,980
Capital assets being depreciated				
Machinery and equipment	61,563			61,563
Infrastructure	1,502,564			1,502,564
Total capital assets being depreciated	1,564,127	-	-	1,564,127
Less accumulated depreciation for				
Machinery and equipment	51,966	4,368		56,334
Infrastructure	417,525	45,792		463,317
Total accumulated depreciation	469,491	50,160	-	519,651
Capital assets, net	\$ 1,097,616	\$ (50,160)	\$ -	\$ 1,047,456

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Depreciation expense is charged to governmental functions as follows:

General government support	\$ 4,368
Transportation	<u>45,792</u>
	<u>\$ 50,160</u>

**B. Impairment Losses**

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2022, the Village has not recorded any such impairment losses.

**11. PENSION PLANS - OTHER**

A simplified employee pension individual retirement account (SEP IRA) was established by the Village. The Village can make contributions on behalf of the employee, subject to IRS limits. For the year ended May 31, 2022, the Village contributed \$15,396 to the plan.

**12. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)**

The Port Washington Fire Department, Inc. Service Award Program (referred to as a "LOSAP" - Length of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) was established effective January 1, 1993 for the active volunteer firefighters the Port Washington Fire Department, Inc. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. Seven municipalities, including the Village, jointly sponsor and fund the program, and the Joint Sponsoring Board is the program administrator.

**A. Program Description**

Participation, Vesting and Service Credit

In a defined benefit LOSAP, participating volunteers begin to be paid a Service Award upon attainment of the program's Entitlement Age. An eligible program participant is defined by the program sponsor to be an active volunteer firefighter who is at least 18 years of age, has completed probation, and has earned one year of Service Credit. The amount of the Service Award paid to a participant is based upon the number of years of Service Credit the volunteer earned under the program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to be paid a Service Award after earning credit for five years of service or upon attaining the program's Entitlement Age while an active volunteer. The program's entitlement age is age 65. An active volunteer firefighter earns a year of Service Credit for each calendar year after the establishment of the program in which he or she accumulates 50 or more points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Sponsor on the basis of a statutory list of activities and point values. A participant may also receive Service Credit for five years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter of the Port Washington Fire Department, Inc.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Benefits

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. Currently, there are no other forms of payment of a volunteer's earned service award under the program. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned by the participant under the point system. The maximum number of years of service credit a participant may earn under the program is 40 years. Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and thereby increase their service award payments. The pre-entitlement age death and disability benefit is equal to the actuarial value of the participant's earned service award at the time of death or disablement. All death and disability benefits are self-insured and paid from the program trust fund. The program does not provide extra line-of-duty death or disability benefits.

For a complete explanation of the program, see the Plan Document; a copy of which is available from the Joint Sponsoring Board.

**B. Participants**

At the December 31, 2021 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	57
Inactive participants entitled to but not yet receiving benefit payments	84
Active participants	<u>201</u>
Total	<u><u>342</u></u>

Contributions

New York State General Municipal Law §219(d) requires the Village Board to engage an actuary to determine the annual amount required to be contributed to the Trust Fund. The actuarially determined contribution shall be appropriated annually by the Village Board.

Trust Assets

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

**C. Measurement of Total Service Award Program Liability**

The total pension liability at the December 31, 2021 measurement date was determined using an actuarial valuation as of the measurement date.

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 Male/Female Mortality Table without projection for mortality improvement.

Discount Rate

The discount rate used to measure the total pension liability was 2.25%, compared to a discount rate of 1.93% used in the prior year. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

**D. Changes in Total Service Award Program Liability**

For the year ended May 31, 2022, the Village reported a liability of \$76,078 for its proportionate share of the total pension liability, measured as of December 31, 2021. The proportionate share of total pension liability for the year ended May 31, 2021, was \$78,281, measured as of December 31, 2020. The Village's proportion of the total pension liability was based on a cost sharing agreement between the Village and the six other sponsoring municipalities. At the December 31, 2021 measurement date, the Village's proportion was 0.61%. This represents no change in proportion compared to the December 31, 2020 measurement date. The following represents the change in total service award program liability as of the plan year ended May 31, 2021:

Balance as of December 31, 2020 measurement date	<u>\$ 78,281</u>
Service cost	3,710
Interest	1,567
Changes of assumptions or other inputs	(4,554)
Differences between expected and actual experience	(1,370)
Changes in proportion	-
Benefit payments	<u>(1,556)</u>
Net change in total service award program liability	<u>(2,203)</u>
	<u><u>\$ 76,078</u></u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the Village as of the December 31, 2021 measurement date, calculated using the discount rate of 2.25%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.25%) or 1-percentage point higher (3.25%) than the current rate:

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	1% Decrease 1.25 %	Current Assumption 2.25 %	1% Increase 3.25 %
Village's proportionate share of the net pension liability	\$ (91,565)	\$ (76,078)	\$ (63,876)

**E. Proportionate Share of Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended May 31, 2022, the Village recognized pension expense of \$3,951. At May 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 674	\$ 6,623
Changes of assumptions or other inputs	24,450	9,298
Change in proportion		21,061
Benefit payments and administrative expenses subsequent to the measurement date	844	
Total	\$ 25,968	\$ 36,982

Deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending May 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended May 31,	
2023	\$ (2,422)
2024	(2,422)
2025	(2,422)
2026	(2,422)
2027	(2,422)
Thereafter	252
	\$ (11,858)



**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**13. ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$280,000 has been appropriated to reduce taxes for the year ending May 31, 2023.

**14. COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The Village has received grants which are subject to audit by agencies of the state government. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes disallowances, if any, would be immaterial.

**B. Certiorari Proceedings**

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 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, 2022, which could affect future operating budgets of the Village.

**C. Litigation**

The Village is a defendant in several lawsuits arising from the normal conduct of its affairs. The administration is of the opinion that settlements, if any, of the aforementioned litigation will not have a material adverse impact on the financial position of the Village.

**15. SUBSEQUENT EVENTS**

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

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For the Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>REVENUES</b>				
Real property taxes	\$ 700,000	\$ 700,000	\$ 701,148	\$ 1,148
Other tax items	3,500	3,500	5,853	2,353
Non-property tax items	18,500	18,500	24,338	5,838
Departmental income	125,000	125,000	179,725	54,725
Use of money and property	5,000	5,000	2,461	(2,539)
Licenses and permits	5,000	5,000	6,250	1,250
Fines and forfeitures	5,000	5,000	4,617	(383)
Sale of property and compensation for loss	46,374	46,374	1,848	(44,526)
Miscellaneous	3,063	3,063	11,910	8,847
State sources	267,586	267,586	55,856	(211,730)
Federal sources			1,447	1,447
	<u>1,179,023</u>	<u>1,179,023</u>	<u>995,453</u>	<u>(183,570)</u>
<b>Total Revenues</b>				
<b>OTHER FINANCING SOURCES</b>				
Operating Transfer In	35,000	35,000	35,000	-
	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
<b>Total Revenues and Other Sources</b>	1,214,023	1,214,023	1,030,453	\$ (183,570)
<b>APPROPRIATED FUND BALANCE</b>				
Prior years' surplus	275,000	275,000		
	<u>275,000</u>	<u>275,000</u>		
<b>Total Revenues, Other Financing Sources and Appropriated Fund Balance</b>	<u>\$ 1,489,023</u>	<u>\$ 1,489,023</u>		

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund (Continued)**  
For the Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>EXPENDITURES</b>				
General government support				
Legislative	\$ 6,000	\$ 6,560	\$ 6,560	\$ -
Judicial	19,500	19,500	18,122	1,378
Auditor	8,500	9,000	9,000	-
Treasurer	53,100	55,050	54,770	280
Municipal Staff	116,548	126,265	122,235	4,030
Law	93,000	93,000	87,028	5,972
Engineer	27,000	44,781	44,781	-
Election	500	635	635	-
Building	66,140	66,140	60,647	5,493
Unallocated Insurance	25,000	25,000	23,201	1,799
Muni Dues	6,000	8,450	8,450	-
Contingent Account	18,124	9,833		9,833
	<u>439,412</u>	<u>464,214</u>	<u>435,429</u>	<u>28,785</u>
Public safety				
Fire Protection	27,475	27,696	27,696	-
Safety Inspections	142,450	135,208	129,990	5,218
	<u>169,925</u>	<u>162,904</u>	<u>157,686</u>	<u>5,218</u>
Transportation				
Highway	389,586	369,405	20,417	348,988
Snow Removal	80,000	80,000	42,081	37,919
Street Lighting	8,000	8,000	4,873	3,127
	<u>477,586</u>	<u>457,405</u>	<u>67,371</u>	<u>390,034</u>
Home and community services				
Sewage	10,000	10,000	1,760	8,240
Sanitation	239,000	241,400	241,400	-
Environment	69,000	69,000	56,907	12,093
Development	3,000	3,000		3,000
	<u>321,000</u>	<u>323,400</u>	<u>300,067</u>	<u>23,333</u>
Employee benefits				
Pension Contribution	17,000	17,000	4,561	12,439
Social Security	22,000	22,000	19,228	2,772
Workers' Compensation	6,600	6,600	6,254	346
Benefits - Health Insurance	35,500	35,500	29,912	5,588
	<u>81,100</u>	<u>81,100</u>	<u>59,955</u>	<u>21,145</u>
Total Expenditures	<u>\$ 1,489,023</u>	<u>\$ 1,489,023</u>	<u>1,020,508</u>	<u>\$ 468,515</u>
Net Change in Fund Balance			9,945	
Fund Balances - Beginning of year			<u>1,086,002</u>	
Fund Balances - End of year			<u>\$ 1,095,947</u>	

**Note to Required Supplementary Information**

Budget Basis of Accounting

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

**INCORPORATED VILLAGE OF PLANDOME MANOR**  
**Schedule of Changes in the Village's Service Award Program Liability**  
 Last Five Fiscal Years

Measurement date as of December 31,	2021	2020	2019	2018	2017
Village's proportion of the total pension liability	0.6100%	0.6100%	0.6100%	1.0152%	1.0152%
Village's proportionate share of the total pension liability	\$ 76,078	\$ 78,281	\$ 50,605	\$ 86,745	\$ 83,729
Discount rate	2.25%	1.93%	3.26%	3.64%	3.16%

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

**Note to Required Supplementary Information**

Trust Assets: There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

