

INCORPORATED VILLAGE OF MINEOLA  
MINEOLA, NEW YORK

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

INCORPORATED VILLAGE OF MINEOLA  
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INDEPENDENT AUDITOR'S REPORT

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**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Mineola, Mineola, New York (the "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, each major fund, and the aggregate remaining fund information of the Incorporated Village of Mineola, Mineola, New York, as of May 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis of Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 the management's discussion and analysis and required supplementary information on pages 5 through 12 and 64 through 69 be presented to supplement the basic financial statements. Such information

#### **Required Supplementary Information (cont'd)**

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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mineola, Mineola, New York's basic financial statements. The supplementary information on pages 70 through 72 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on

**Other Reporting Required by *Government Auditing Standards* (cont'd)**

the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

  
RYNKAR, VAIL & BARRETT, LLP

Mineola, New York  
October 24, 2022

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Our discussion and analysis of the Incorporated Village of Mineola's financial performance provides an overview and analysis of the Village's financial activities for the fiscal year ended May 31, 2022. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

At May 31, 2022, total fund balances are comprised of the following:

- (1) At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,257,455 which represents 43.42% of total General Fund expenditures and uses for the current year.
- (2) At the end of the current fiscal year, assigned fund balance for the Water Fund was \$1,503,284 which represents 51.76% of total Water Fund expenditures and uses for the current year.
- (3) Governmental Funds fund balances increased approximately \$1,010,000 during the year ended May 31, 2022. The General Fund increased approximately \$1,749,000. The Water Fund increased approximately \$556,000. The General Fund fund balance increase is due to an increase in the Village's revenues and a decrease in expenditures for home and community services and debt service. The Water Fund fund balance increase is due to a decrease in home and community services and debt service expenditures.
- (4) At the end of the current fiscal year, assigned fund balance for the Library Fund was \$145,270 which represents 7.69% of total Library Fund expenditures. The Pool Fund assigned fund balance was \$227,313 which represents 34.62% of total expenditures.
- (5) The deficit in net position increased \$1,546,894 and is \$22,983,261 at May 31, 2022. This is due to an other postemployment benefits payable liability of \$60,846,288 which, by law, cannot be funded in New York State.

Overview of the Financial Statements

The reporting focus of this report is on the Village as a whole and on its major individual funds. The financial section of this report presents the Village's financial activities and position in four parts. These parts are the management discussion and analysis, the basic financial statements, required supplementary information on major funds with an adopted budget and other supplementary information. The basic financial statements are comprised of the Village-wide financial statements, the fund financial statements and the notes that provide more detailed information to supplement the basic financial statements.

Village-wide Financial Statements

The Village-wide financial statements are designed to provide readers with a broad overview of the Incorporated Village of Mineola's finances, by reporting on the Village as a whole. The Statement of Net Position presents

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Village-wide Financial Statements (cont'd)

information on all of the Incorporated Village of Mineola's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Incorporated Village of Mineola is improving or deteriorating. The Statement of Net Position combines and consolidates the governmental funds' balance sheet with capital assets and long-term obligations. The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis which is used to report on the Village's fund financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. The Village establishes funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village funds are governmental in nature.

Governmental Funds - The majority of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the Village-wide statements, readers may better understand the long-term effect of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following each of the fund financial statements. The Incorporated Village of Mineola maintains six individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for each major fund and the consolidated non-major funds. The Village reports the general, water, and capital projects funds as major funds.



INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Financial Analysis of the Village as a Whole

Our analysis below focuses on the net position and changes in net position of the Incorporated Village of Mineola's governmental activities:

	<u>May 31, 2022</u>	<u>May 31, 2021</u>
<u>Assets</u>		
Current and Other Assets	\$ 41,288,348	\$ 40,977,682
Proportionate Share of		
Pension Asset	1,740,040	-0-
Capital Assets	48,467,923	41,706,430
<u>Total Assets</u>	<u>\$ 91,496,311</u>	<u>\$ 82,684,112</u>
<u>Deferred Outflows of Resources</u>		
Deferred Outflows of Resources		
Pensions Related	\$ 5,569,117	\$ 7,415,066
Deferred Outflows of Resources		
Other Postemployment Benefits	12,533,874	9,325,102
<u>Total Deferred Outflows of Resources</u>	<u>\$ 18,102,991</u>	<u>\$ 16,740,168</u>
<u>Liabilities</u>		
Current Liabilities	\$ 4,941,256	\$ 5,770,189
Other Postemployment		
Benefits Payable	60,846,288	63,098,520
Pension Liabilities	9,542,222	10,014,287
Long-Term Liabilities	38,106,394	32,183,606
<u>Total Liabilities</u>	<u>\$ 113,436,160</u>	<u>\$ 111,066,602</u>
<u>Deferred Inflows of Resources</u>		
Deferred Inflows of Resources		
Pension Related	\$ 6,990,524	\$ 6,888,443
Deferred Inflows of Resources		
Other Postemployment Benefits	12,155,881	2,893,104
Deferred Revenue - Parking Agreement	-0-	12,500
<u>Total Deferred Inflows of Resources</u>	<u>\$ 19,146,405</u>	<u>\$ 9,794,047</u>
<u>Net Position</u>		
Invested in Capital Assets,		
Net of Related Debt	\$ 31,814,231	\$ 32,505,155
Restricted:		
Fire Service Award	-0-	4,787,905
Capital Reserves	-0-	34,139
Reserve for Debt	200,130	50,890
Unrestricted (Deficit)	(54,997,624)	(58,814,458)
<u>Total Net Position (Deficit)</u>	<u>\$ (22,983,263)</u>	<u>\$ (21,436,369)</u>

Total assets and total deferred outflows of resources increased \$10,175,022 and total liabilities and deferred inflows of resources increased \$11,721,916 from the prior year, which results in a \$1,546,894 decrease in net position.

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Financial Analysis of the Village as a Whole (cont'd)

Restricted net position decreased \$4,452,681 due to reclassification related to restricted investments in the prior year.

Summary of Changes in Net Position

Governmental Activities  
For the Year Ended May 31, 2022 and 2021

	<u>May 31, 2022</u>	<u>% of Totals</u>	<u>May 31, 2021</u>	<u>% of Totals</u>
<u>Revenues:</u>				
<u>Program Revenues</u>				
Charges for Services	\$ 7,988,101	30.2%	\$ 7,034,551	28.0%
Operating Grants and Contributions	(203,792)	-0.8%	1,024,063	4.1%
Capital Grants and Contributions	1,814,241	6.9%	422,644	1.7%
<u>General Revenues</u>				
Real Property Taxes	14,402,844	54.4%	14,098,619	56.1%
Other Tax Items	64,217	0.2%	62,547	0.2%
Non-Property Tax Items	1,034,026	3.9%	948,430	3.8%
Use of Money and Property	552,604	2.1%	713,553	2.8%
State Aid	828,022	3.1%	828,374	3.3%
<u>Total Revenues and Special Items</u>	<u>\$ 26,480,263</u>	<u>100.0%</u>	<u>\$ 25,132,781</u>	<u>100.0%</u>
<u>Program Expenses:</u>				
General Government Support	\$ 8,368,350	29.9%	\$ 9,137,919	32.3%
Public Safety	3,279,614	11.7%	5,582,256	19.7%
Health	60,000	0.2%	81,076	0.3%
Transportation	5,068,171	18.1%	4,061,680	14.4%
Economic Assistance and Opportunity	14,412	0.1%	14,412	0.1%
Culture and Recreation	4,297,772	15.3%	4,313,475	15.3%
Home and Community Services	6,209,589	22.1%	5,029,843	17.8%
Interest on Long-Term Debt	729,249	2.6%	14,644	0.1%
<u>Total Expenses</u>	<u>\$ 28,027,157</u>	<u>100.0%</u>	<u>\$ 28,235,305</u>	<u>100.0%</u>
 Increase (Decrease) in Net Position	 \$ (1,546,894)		 \$ (3,102,524)	
Beginning Net Position (Deficit)	(21,436,369)		(18,333,845)	
Ending Net Position (Deficit)	<u>\$ (22,983,263)</u>		<u>\$ (21,436,369)</u>	

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

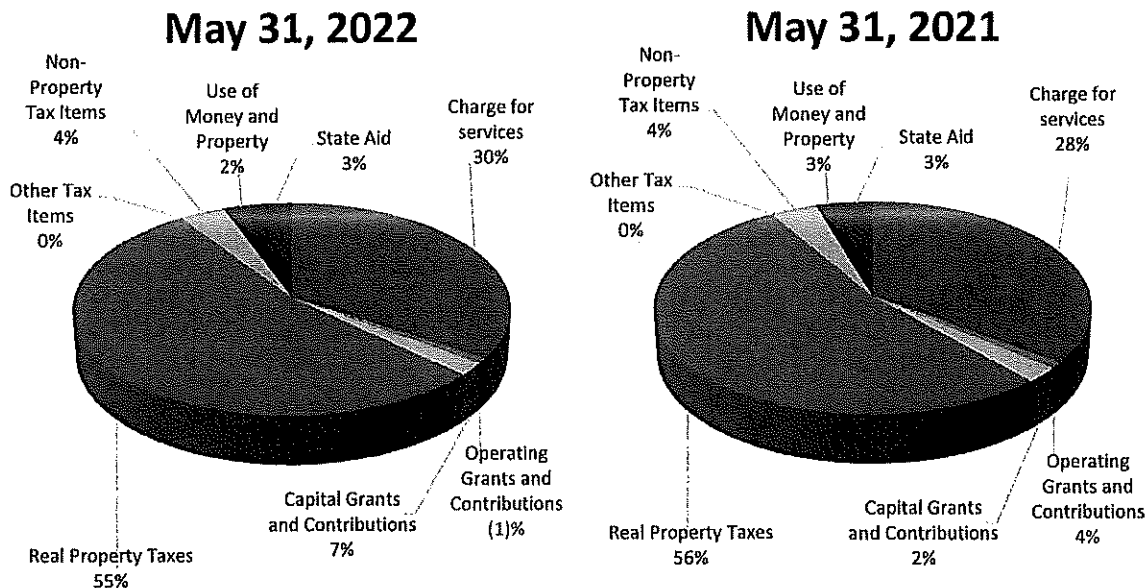
FOR THE FISCAL YEAR ENDED MAY 31, 2022

Financial Analysis of the Village as a Whole (cont'd)

As indicated above, the Village is reliant on charges for services and real property taxes to support governmental operations.

Furthermore, the above shows that total governmental activities cost \$28,027,157 for the fiscal year ended May 31, 2022. The most significant governmental expenses for the Village were to provide general government support, home and community services, transportation, culture and recreation and public safety. These expenses were offset by revenues collected from a variety of sources. The major components of general government support are the clerk's, the treasurer's, and the Village Justice's offices, payments on settled tax certioraris and unallocated insurance. The major components of home and community services are water, sanitation and sewer services. The major components of transportation are street maintenance, administration, snow removal and street lighting. The major components of public safety are the Village's fire service protection and safety inspection. The major components of culture and recreation are the Village's library, pool and parks.

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



INCORPORATED VILLAGE OF MINEOLA

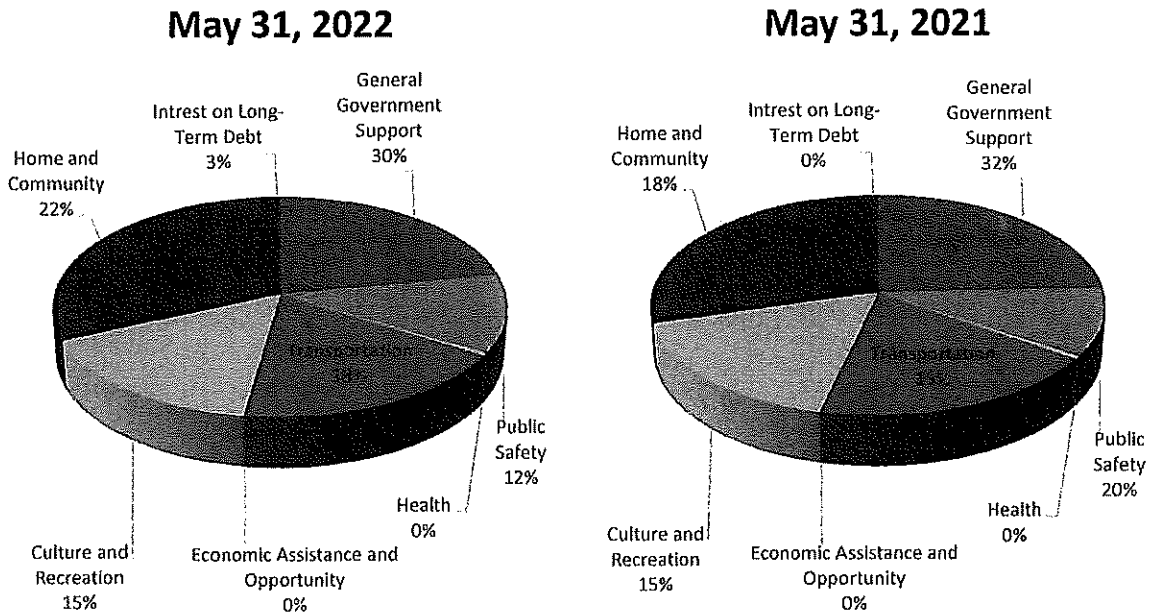
MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Financial Analysis of the Village as a Whole (cont'd)

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



Financial Analysis of the Village's Funds

Governmental Funds

As previously discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$35,771,617, indicating availability for continuing Village operating purposes.

The total ending fund balances of governmental funds report an increase of \$1,009,730 from the prior year. The increase in fund balance was primarily due to the issuance of serial bonds, which are recognized as other financing sources under the modified accrual basis of accounting.

General Fund Budgetary Highlights

The Village's 2021/2022 original general fund budget planned for \$21,331,685 of appropriations. Actual expenditures and other financing uses (interfund transfers out) for the year were \$21,322,599. The Village expended 100% of its revised budget.

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Financial Analysis of the Village's Funds (cont'd)

General Fund Budgetary Highlights (cont'd)

The Village's original budget planned to decrease fund balance \$25,924 which equals the general fund encumbrances from the previous year.

The actual increase in the fund balance was \$1,748,705 due to the Village's general fund's revenues exceeding expenditures.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of May 31, 2022 was \$48,467,923. See Note 5 for additional information about changes in capital assets during the fiscal year.

Capital Assets  
Net of Accumulated Depreciation

	<u>Governmental Activities</u>	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>
<u>Non-Depreciable Assets:</u>		
Land	\$ 390,000	\$ 390,000
Construction in Progress	23,552,863	18,973,409
<u>Depreciable Assets:</u>		
Infrastructure and Improvements	9,237,155	10,139,992
Improvements Other Than Buildings	6,147,202	3,032,656
Buildings	6,067,688	6,002,965
Vehicles, Machinery & Equipment	3,073,015	3,167,408
<u>Total</u>	<u>\$ 48,467,923</u>	<u>\$ 41,706,430</u>

Long-Term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding in the amount of \$36,269,271, an increase of \$6,185,027 from the fiscal year ended May 31, 2021. This amount is bonded by the full faith and credit of the Incorporated Village of Mineola, New York.

See Note 6 for additional information about the Village's long-term debt.

INCORPORATED VILLAGE OF MINEOLA

MINEOLA, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

Economic Factors and Next Year's Budgets

For the fiscal year ended May 31, 2023, the Village adopted a general fund budget that has \$22,262,551 of appropriations which is approximately \$783,866 greater than this year's general fund budget. The real estate tax levy for the fiscal year ended May 31, 2023 is \$14,153,496 which is approximately \$261,180 greater than the prior year.

The appropriation budget adopted for the water fund for the fiscal year ended May 31, 2023 is approximately \$320,167 (10.9%) more than the current year's water budget appropriations. The increase in appropriations includes an increase in personal services, utilities and debt service.

New York State approved legislation that will limit the increase in the property tax levy of all governments, including Villages to the lesser of 2% or the rate of inflation. The laws do allow for certain statutory adjustments to this cap and it will remain in effect permanently. The Village's annual tax levy may exceed the cap if at least 60% of the Village board approves such increase. The adopted budgets for the fiscal years ended May 31, 2022 and May 31, 2023 were both in compliance with this legislation.

Contacting the Village's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors a general overview of the Village's finances and to show the Village's commitment to public accountability. If you have questions about the report or would like to request additional information, contact the Village Clerk at the Incorporated Village of Mineola, 155 Washington Avenue, Mineola, New York 11501.

INCORPORATED VILLAGE OF MINEOLA

STATEMENT OF NET POSITION

AS OF MAY 31, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>	
Cash and Cash Equivalents		
Unrestricted	\$	11,926,471
Restricted		21,531,637
Restricted Investments		4,452,681
Tax Sale Certificates Receivable (Net of \$15,410 allowance)		-0-
Water Rents Receivable		1,240,016
Accounts Receivable		338,804
Due from Other Governments		190,131
Inventory - Books, Periodicals, etc.		1,545,196
Prepaid Expenses		53,812
Security Deposits		9,600
Proportionate Share of Pension Asset		1,740,040
Noncurrent Assets:		
Capital Assets		
Non-Depreciable Capital Assets	\$	23,942,863
Depreciable Capital Assets, net	24,525,060	48,467,923
 <u>TOTAL ASSETS</u>		 <u>\$ 91,496,311</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows of Resources - Pensions Related	\$	5,569,117
Deferred Outflows of Resources - Other Postemployment Benefits		12,533,874
 <u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>		 <u>\$ 18,102,991</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$	2,794,993
Accrued Liabilities		88,907
Retainage Payable		341,439
Due to Employees' Retirement System		134,511
Accrued Interest Payable		257,273
Other Liabilities		5,022
Unearned Revenues		21,070
Noncurrent Liabilities:		
Due Within One Year		1,298,041
Due in More Than One Year		38,106,394
Other Postemployment Benefits Payable		60,846,288
Pension Liabilities		9,542,222
 <u>TOTAL LIABILITIES</u>	\$	 <u>113,436,150</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Inflows of Resources - Pensions Related	\$	6,990,524
Deferred Inflows of Resources - Other Postemployment Benefits		12,155,881
 <u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>		 <u>\$ 19,146,405</u>
 <u>NET POSITION</u>		
Investment in Capital Assets, Net of Related Debt	\$	31,814,231
Restricted:		
Reserve for Debt		200,130
Unrestricted (Deficit)		(54,997,624)
 <u>NET POSITION (Deficit)</u>	\$	 <u>(22,983,263)</u>

See Accompanying Notes to Basic Financial Statements

INCORPORATED VILLAGE OF MINNEOLA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDING MAY 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 8,368,350	\$ 3,699,499	\$ 74,374	\$ 472,746	\$ (4,121,731)
Public Safety	3,279,614	75,388	(283,595)	68,558	(3,419,263)
Health	60,000	-0-	-0-	-0-	(60,000)
Transportation	5,068,171	754,862	-0-	779,118	(3,534,191)
Economic Assistance and Opportunity	14,412	-0-	-0-	-0-	(14,412)
Culture and Recreation	4,297,772	143,809	5,429	99,530	(4,049,004)
Home and Community	6,209,589	3,314,543	-0-	394,289	(2,500,757)
Interest on Long-Term Debt	729,249	-0-	-0-	-0-	(729,249)
Total Governmental Activities	\$ 28,027,157	\$ 7,988,101	\$ (203,792)	\$ 1,814,241	\$ (18,428,607)
General Revenues:					
Real Property Taxes					\$ 14,402,844
Other Tax Items					54,217
Non-Property Tax Items					1,034,026
Use of Money and Property					552,604
State Aid					928,022
Total General Revenues					\$ 16,891,713
Changes in Net Position					\$ (1,546,894)
Net Position (Deficit) - Beginning of Period					(21,436,369)
Net Position (Deficit) - End of Period					\$ (22,983,263)

See Accompanying Notes to Basic Financial Statements



INCORPORATED VILLAGE OF MINNEOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF MAY 31, 2022

	Major Governmental Funds			Non-Major Governmental Funds	Totals
	General	Water	Capital Projects		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 10,408,111	\$ 1,059,613	\$ -0-	\$ 458,747	\$ 11,926,471
Unrestricted	-0-	200,130	21,331,507	-0-	21,531,637
Restricted	4,452,681	-0-	-0-	-0-	4,452,681
Tax Sale Certificates Receivable (Net of \$15,410 allowance)	-0-	-0-	-0-	-0-	-0-
Restricted Investments	-0-	522,324	-0-	-0-	522,324
Water Rents Receivable	126,588	129	27,511	236	154,464
Accounts Receivable	51,754	-0-	42,456	-0-	94,210
Due from Other Funds	157,308	-0-	-0-	32,823	190,131
Due from Other Governments	53,812	-0-	-0-	-0-	53,812
Prepaid Expenditures	9,600	-0-	-0-	-0-	9,600
Security Deposits	-0-	-0-	-0-	-0-	-0-
<b>Total Assets</b>	<b>\$ 15,259,854</b>	<b>\$ 1,782,136</b>	<b>\$ 21,401,474</b>	<b>\$ 491,806</b>	<b>\$ 38,935,330</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 939,832	\$ 29,264	\$ 1,786,095	\$ 39,802	\$ 2,794,993
Accrued Liabilities	66,501	12,070	-0-	10,336	88,907
Due to Employees' Retirement System	100,802	15,697	-0-	18,012	134,511
Due to Other Funds	42,456	21,751	-0-	30,003	94,210
Other Liabilities	5,022	-0-	-0-	-0-	5,022
Unearned Revenues	-0-	-0-	-0-	21,070	21,070
<b>Total Liabilities</b>	<b>\$ 1,154,613</b>	<b>\$ 78,782</b>	<b>\$ 1,786,095</b>	<b>\$ 119,223</b>	<b>\$ 3,138,713</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenues	\$ 25,000	\$ -0-	\$ -0-	\$ -0-	\$ 25,000
<b>Fund Balances</b>					
Nonspendable:					
Prepays	\$ 53,812	\$ -0-	\$ -0-	\$ -0-	\$ 53,812
Restricted:					
Fire Service Award	4,452,681	-0-	-0-	-0-	4,452,681
Capital Projects	-0-	-0-	19,615,379	-0-	19,615,379
Reserve for Debt	-0-	200,130	-0-	-0-	200,130
Assigned:					
Water	-0-	1,503,284	-0-	-0-	1,503,284
Special Grant	-0-	-0-	-0-	-0-	-0-
Library	-0-	-0-	-0-	145,270	145,270
Swimming Pool	-0-	-0-	-0-	227,313	227,313
General	316,293	-0-	-0-	-0-	316,293
Unassigned	9,257,455	-0-	-0-	-0-	9,257,455
<b>Total Fund Balances</b>	<b>\$ 14,080,241</b>	<b>\$ 1,703,414</b>	<b>\$ 19,615,379</b>	<b>\$ 372,583</b>	<b>\$ 35,771,617</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,259,854</b>	<b>\$ 1,782,136</b>	<b>\$ 21,401,474</b>	<b>\$ 491,806</b>	<b>\$ 38,935,330</b>

See Accompanying Notes to Basic Financial Statements

INCORPORATED VILLAGE OF MINEOLA  
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
AS OF MAY 31, 2022

Total Fund Balances - Governmental Funds

\$ 35,771,617

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets less accumulated depreciation are reported in the Statement of Net Position:

Capital Assets - Non-Depreciable	\$ 23,942,863	
Capital Assets - Depreciable	83,939,439	
Accumulated Depreciation	<u>(59,414,379)</u>	\$ 48,467,923

Other accrued receivables are not available to pay for current period expenditures and, therefore, are not reported in the funds statement.

Water Rents Receivable	\$ 717,692	
Accounts Receivable	<u>184,339</u>	902,031

Inventory of Books, Periodicals, etc. are recorded on the Statement of Net Position but not reported on the funds statement.

1,545,196

Accrued receivables that will be collected in the future, but are not available soon enough to pay for the current period's expenditures and, therefore, have been deferred in the governmental funds.

25,000

Governmental funds recognize revenue and expenditures incurred under the modified accrual method. The Statement of Net Position recognizes revenues received and expenditures incurred under the full accrual method. Deferred inflows and outflows related to pensions and other postemployment benefits that will be recognized in future periods amounted to:

Deferred Outflows of Resources Pensions Related	\$ 5,569,117	
Deferred Outflows of Resources Other Postemployment Benefits	12,533,874	
Deferred Inflows of Resources Pensions Related	(6,990,524)	
Deferred Inflows of Resources Other Postemployment Benefits	<u>(12,155,881)</u>	(1,043,414)

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in governmental funds. However, these liabilities are included in the Statement of Net Position:

General Obligation Bonds Payable	\$ (36,269,270)	
Compensated Absences	(2,581,560)	
Claims and Judgments Payable	(553,604)	
Other Postemployment Benefits Payable	(60,846,288)	
Pension Liabilities	(9,542,222)	
Retainage Payable	<u>(341,439)</u>	(110,134,383)

The pension asset does not relate to current financial resources and is not reported in the Governmental Funds.

1,740,040

Interest payable applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the funds statement. However this liability is included in the Statement of Net Position.

(257,273)    (58,754,880)

Net Position of Governmental Activities

\$ (22,983,263)

INCORPORATED VILLAGE OF MINNEOLA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MAY 31, 2022

	Major Governmental Funds			Non-Major Governmental Funds	Totals
	General	Water	Capital Projects		
<b>REVENUES</b>					
Real Property Taxes	\$ 14,503,306	\$ -0-	\$ -0-	\$ -0-	\$ 14,503,306
Other Tax Items	64,217	-0-	-0-	-0-	64,217
Non-Property Tax Items	1,001,738	-0-	-0-	-0-	1,001,738
Departmental Income	795,852	3,223,966	-0-	72,869	4,092,687
Use of Money and Property	269,009	-0-	-0-	-0-	269,009
Licenses and Permits	1,210,843	-0-	-0-	-0-	1,210,843
Fines and Forfeitures	1,452,688	-0-	-0-	-0-	1,452,688
Sale of Property and Compensation for Loss	88,027	-0-	-0-	56,312	88,673
Miscellaneous	1,030,118	36,640	-0-	-0-	1,123,070
State Aid	1,570,535	-0-	-0-	5,439	1,575,964
Federal Aid	984,971	-0-	-0-	316,215	1,301,186
<b>Total Revenues</b>	<b>\$ 22,971,304</b>	<b>\$ 3,260,606</b>	<b>\$ -0-</b>	<b>\$ 451,471</b>	<b>\$ 26,683,381</b>
<b>EXPENDITURES</b>					
General Government Support	\$ 4,550,436	\$ 3,061	\$ 1,441,006	\$ 1,395	\$ 5,995,898
Public Safety	1,736,289	-0-	5,004,831	-0-	6,731,120
Health	60,000	-0-	-0-	-0-	60,000
Transportation	3,140,049	-0-	-0-	-0-	3,140,049
Economic Assistance and Opportunity	-0-	-0-	-0-	-0-	-0-
Culture and Recreation	680,577	-0-	-0-	2,003,912	2,684,489
Home and Community Services	2,912,317	2,181,202	1,396,326	339,058	6,808,903
Employee Benefits	4,658,963	438,867	-0-	539,205	5,637,035
Debt Service, Principal	595,000	30,000	-0-	-0-	625,000
Debt Service, Interest	704,593	151,267	-0-	-0-	855,860
<b>Total Expenditures</b>	<b>\$ 18,938,224</b>	<b>\$ 2,804,397</b>	<b>\$ 7,842,163</b>	<b>\$ 2,863,570</b>	<b>\$ 32,448,354</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,033,080	\$ 456,209	\$ (7,842,163)	\$ (2,412,099)	\$ (5,764,973)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Obligations	-0-	\$ -0-	\$ 6,574,573	\$ -0-	\$ 6,574,573
Proceeds from Premium on Securities Issued	-0-	200,130	-0-	-0-	200,130
Transfers In	100,000	-0-	-0-	2,384,375	2,484,375
Transfers Out	(2,384,375)	(100,000)	-0-	-0-	(2,484,375)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (2,284,375)</b>	<b>\$ 100,130</b>	<b>\$ 6,574,573</b>	<b>\$ 2,384,375</b>	<b>\$ 6,774,703</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,748,705</b>	<b>\$ 556,339</b>	<b>\$ (1,267,590)</b>	<b>\$ (27,724)</b>	<b>\$ 1,009,730</b>
<b>Fund Balances - June 1, 2021</b>	<b>12,331,536</b>	<b>1,147,075</b>	<b>20,882,969</b>	<b>400,307</b>	<b>34,761,887</b>
<b>Fund Balances - May 31, 2022</b>	<b>\$ 14,080,241</b>	<b>\$ 1,703,414</b>	<b>\$ 19,615,379</b>	<b>\$ 372,583</b>	<b>\$ 35,771,617</b>

See Accompanying Notes to Basic Financial Statements

INCORPORATED VILLAGE OF MINEOLA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MAY 31, 2022

Net Change in Fund Balances \$ 1,009,730

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation expense exceeds capital outlays in the current period is:

Depreciation Expense	\$ (2,015,563)	
Capital Outlay	<u>8,777,056</u>	6,761,493

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental funds.

Decrease in Accrued Interest Payable	\$ 71,935	
Decrease in Compensated Absences	131,299	
Decrease in Retainage Payable	<u>353,620</u>	556,854

Governmental funds report purchase of books, periodicals, etc. as expenditures. However, in the Statement of Activities, such costs, have been eliminated and reported as Inventory in the Statement of Net Position.

27,006

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds statements.

(203,116)

The issuance of long-term debt that provides permanent financing provide current financial resources to governmental funds, while the repayment of the principal of long-term debt, and payment of long-term liabilities use current financial resources of governmental funds.

Repayment of Debt Principal	535,000	
Change in Claims and Judgments Payable	23,864	
Amortization of Premium on Bonds Payable	54,676	
Other Postemployment Benefits Expense	2,252,232	
Issuance of Serial Bonds	(6,574,573)	
Premiums on Obligations	<u>(200,130)</u>	(3,908,931)

Increases or decreases in the proportionate share of net pension liabilities, pension assets, deferred outflows of resources pensions related, and deferred inflows of resources pensions related reported in the Statement of Activities does not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Decrease in Pension Liabilities	\$ 472,065	
Decrease in Deferred Outflows of Resources Pensions Related	(1,845,949)	
Increase in Deferred Inflows of Resources Pensions Related	(102,081)	
Increase in Deferred Outflows of Resources Other Postemployment Benefits	3,208,772	
Increase in Deferred Inflows of Resources Other Postemployment Benefits	(9,262,777)	
Increase in Pension Asset	<u>1,740,040</u>	(5,789,930)

Changes in Net Position of Governmental Activities

\$ (1,546,894)

See Accompanying Notes to Basic Financial Statements

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Incorporated Village of Mineola ("Village") was incorporated in 1906. The accounting and reporting policies of the Village relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and the Financial Accounting Standards Board (when applicable). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below.

Financial Reporting Entity

The Incorporated Village of Mineola is located in Nassau County, New York. The Village is administered by a Mayor and four Trustees. The Mayor serves as Chief Executive Officer and the Treasurer serves as the Chief Fiscal Officer.

The Village provides the following basic services: Refuse Collection and Disposal, Highway and Public Facilities Maintenance, Water Supply, Justice Court, Culture and Recreation, Planning, Zoning and Library services. Fire Protection is furnished by a volunteer fire department, which maintains two fire houses in the Village.

The financial reporting entity of the Incorporated Village of Mineola consists of its primary government. 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.

Basis of Presentation

Village-Wide Financial Statements

The Village-wide financial statements titled, Statement of Net Position and Statement of Activities, report financial information on all of the Village's governmental activities. Governmental activities include programs supported primarily by taxes, State Aid, grants and other intergovernmental revenues. The Village has no business type activities.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Presentation (cont'd)

Village-Wide Financial Statements (cont'd)

The Statement of Net Position presents the financial position of the Village at fiscal year end. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The emphasis of governmental fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported in a separate column.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the Village-wide statements.

The Village's books and records are organized on the basis of funds, each of which is considered a separate accounting entity. The funds' operations are accounted for with a separate set of self-balancing accounts that consist of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. A fund is segregated for its specific objectives or attaining specific objectives in accordance with regulations, restrictions or limitations.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Presentation (cont'd)

Fund Financial Statements (cont'd)

The Village reports the following major governmental funds:

- 1) General Fund - The general fund is the Village's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- 2) Water Fund - The water fund is used to account for the Village's Water Operations.
- 3) Capital Fund - Used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the Village reports the following non-major funds:

- 1) Public Library - used to account for the operations of the public library.
- 2) Swimming Pool - used to account for the operations of the swimming pool.
- 3) Special Grant - Community development used to account for federal funds received as community development block grant programs.

Village-Wide Financial Statements

The Village-wide financial statements use the economic resources measurement focus and are presented using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Village are included in the statement of net position.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental Fund Financial Statements

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available to pay current period liabilities. Revenues are considered to be available if they are collectible within 60 days of the end of the current fiscal period. The Village recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized if collectible within 60 days after year end. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made.

Capital Asset acquisitions are reported as expenditures on the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

An encumbrance accounting system, in which purchase order commitments for the expenditure of funds are recorded by all governmental funds in order to reserve that portion of an applicable appropriation. An encumbrance is only a commitment, therefore it does not meet the expenditure or liability recognition criteria. Encumbrances and appropriations outstanding at the end of the fiscal year lapse with the exception of those indicated as a reserve for encumbrances as assigned fund balance. The Village intends to honor these commitments and provide for the expenditure in the subsequent year.



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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 in these Notes to Financial Statements.

Cash and Cash Equivalents

The Village considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Restricted Cash

Some of the Village's cash is restricted in use for specific purposes by virtue of contractual agreements, legal requirements or enabling legislation. Unspent serial bond proceeds for capital outlay is considered restricted cash.

Accounts Receivable

Accounts receivable except for taxes receivable are shown gross. No allowance for uncollectible accounts has been provided since it believes that such allowance would not be material. Tax sale certificates are shown net of an allowance.

Interfund Receivables and Payables

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds."

Refer to Note 7 for detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

Due from Other Governments

Due from other governments is comprised of receivables related to mortgage tax and a Nassau County grant. Amounts are anticipated to be collected in full by the Village.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies (cont'd)

Property Taxes

Village real property taxes are levied annually no later than June 1 and become a lien on or before March 20. Taxes are collected during the period June 1 to the date of the tax lien sale.

Inventories and Prepaid Items

In the governmental fund financial statements, inventories of materials and supplies are not reflected as assets. Disbursements for inventory type items are considered expenditures at the time of purchase. In the Village-wide financial statements books, periodicals, etc. available in the Public Library have been recorded as an inventoriable item at estimated historical cost. Prepaid items represent payment 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 prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year goods or services are consumed.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life in excess of one year are reported at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

General capital assets acquisitions are reported as expenditures in the governmental funds financial statement of revenues, expenditures and changes in fund balances.

The Village depreciates its depreciable capital assets on the straight line basis over the following estimated useful lives.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies (cont'd)

Capital Assets (cont'd)

<u>Assets</u>	<u>In Years</u>
Buildings	50
Improvements Other than Buildings	20
Machinery and Equipment	
Vehicles	8-10
Pumps and Motors	20
Other Machinery and Equipment (average)	15
Tanks in-ground	50
Infrastructure	
Drainage System	30
Water Mains	50
Sewer System	40
Parking Meters	30
Roads	25
Curbs and Sidewalks	25
Fire Hydrants	20
Street Lighting	20
Signage	10

Unearned Revenue

In the Village-wide statements and the governmental fund statements, unearned revenues are recorded when cash or other assets are received prior to being earned.

Compensated Absences

The Village provides vacation pay, personal time and sick time benefits to its employees based on the terms of two separate union contracts. Nonunion employees compensated absences provisions are the same as union employees. Vacation time is to be used within one year of said employee's anniversary date unless the employee has requested and received permission from the Village Board to carry up to five vacation days over to the subsequent year. Employees with more than one year of service shall be entitled to six personal leave days per calendar year, said days to vest on an employee's anniversary date of employment. Employees in their first year of service shall only accumulate personal leave days at the rate of one day for each two months of service to a maximum of six days for the first year of service. For employees hired after July 7, 2021, with more than one year of service shall be entitled to five personal leave days per calendar year, said days to vest on an employee's anniversary date of employment. If an employee does not utilize his or her personal leave time during the course of the calendar year within which it accrues, that portion which is not used will be added to his or her accumulated sick time. Sick time allowance accumulates from date of employment at the rate of twelve days per year, with no maximum accumulation

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies (cont'd)

Compensated Absences (cont'd)

for purposes of use. Unused accumulated sick time will be payable upon separation from service provided the employee shall have had eight years of actual employment, if hired prior to January 1, 1995 and ten years of actual employment if hired after January 1, 1995, with the Village subject to a maximum accumulation of 115 days or 100 days, respectively, and 115 days for Library employees through May 31, 2025. For any employee hired on or after January 1, 2015 the maximum number of sick days which may be accumulated for pay at the time of separation shall be 90 for both the Village and the Library. For employees hired after July 7, 2021, the maximum number of sick days which may be accumulated for pay at the time of separation shall be 75 days for Village employees. Payments for accumulated sick time shall only be payable upon retirement of an employee and further provided that the employee was not dismissed for disciplinary reasons for which no payment shall be made. However, any employee who shall have accumulated at least fifty sick days may, on an annual basis, redeem up to thirty days of the excess sick days accumulated over fifty days at the rate of 75% of value of the employee's rate of pay on October 1 of the year of election to redeem. Any Library employee who shall have accumulated at least thirty sick days may, on an annual basis redeem the excess sick days accumulated over thirty days at the rate of 75% of the value of the employees rate of pay on October 1 of the year of election.

Compensated absences are reported as a liability in both the Statement of Net Position and the governmental funds balance sheet when an eligible employee announces their retirement before June 1, 2022 and paid this liability after May 31, 2022. All other compensated absences due to employees at year end are reported only in the statement of net position.

Long-Term Obligations

In the Village-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the fund financial statements.

In the fund financial statements, the face amount of debt issued or acquisitions under capital leases are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Principal payments on long-term debt are also recorded as expenditures.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies (cont'd)

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. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has three types of items that qualify for reporting in this category. The first item relates to the pensions reported in the Village-wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension liability or total pension liability and difference during the measurement period between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the Village's contribution to the New York State Employees Retirement System and the Length of Service Award Program subsequent to the measurement date. The last item represents the change of assumptions for other postemployment benefits.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has three items that qualify for reporting in this category. The first item represents deferred revenue for cellular agreements. The second item represents the effect of the net change in the Village's proportion of the collective net pension liability or total pension liability and difference during the measurement periods between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The last item represents the differences between expected and actual experience for other postemployment benefits.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The Government-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other Accounting Policies (cont'd)

Postemployment Benefits

In addition to the retirement benefits described in Note 8, the Incorporated Village of Mineola provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the Village and its employee groups. Substantially all of the current Village employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The Village pays the cost of the retired employee's premiums to an insurance company which provides health care insurance.

Equity Classifications

Village-Wide Financial Statements - Net Position

When the Village incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first, then unrestricted resources as they are needed. Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position on the Statement of Net Position includes the following:

Investment in Capital Assets, Net of Related Debt -

The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted -

The component of net position that is restricted when constraints placed on net position use are either imposed by external creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted -

The Unrestricted Net Position does not meet the definition of the two preceding categories. Unrestricted Net Position often has constraints on resources imposed by management which can be removed or modified.

Governmental Fund Financial Statements - Fund Balances

There are five classifications of fund balance: nonspendable, restricted, committed, assigned and unassigned. The Village

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equity Classifications (cont'd)

Governmental Fund Financial Statements - Fund Balances (cont'd)

currently only utilizes the following four:

Nonspendable -

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the prepaid expenditures recorded in the General Fund.

Restricted -

Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Restricted fund balances, generally referred to as reserves in accordance with New York State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. Fund balance reserves currently in use by the Village include the following:

Fire Service Award - The Village established a defined benefit service award program pursuant to Article 11-A of the New York State General Municipal Law. The accumulated assets are restricted to pay benefits of the program.

Reserve for Debt - Amounts restricted for the expenditure of principal and interest on debt.

In the capital projects fund, unspent bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the bond agreement.

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 the fund balance. Assigned fund balance in the general fund includes encumbrances and appropriated fund balance.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equity Classifications (cont'd)

Governmental Fund Financial Statements - Fund Balances (cont'd)

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 should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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.

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) restricted funds should be spent first unless otherwise required by law or agreement, then assigned and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including other postemployment benefits, proportionate share of net pension liability, length of service award program total pension liability, and useful lives of long-lived assets.



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the funds statements and the Village-wide statements, certain financial transactions are treated differently. The fund financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the Statement of Activities, compared with the current financial resource measurement focus of the governmental funds.

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 additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheets.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The categories are shown below:

Long-term revenue and expense differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental 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 governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS  
STATEMENTS AND DISTRICT-WIDE STATEMENTS (cont'd)

Long-term debt transaction differences

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

Pension Differences

Pension differences occur as a result of changes in the Village's proportion of the collective net pension asset/liability and differences between the Village's contributions and its proportionate share of the total contributions to the pension systems.

Reclassifications and eliminations

Reclassifications and eliminations arise because the Statement of Activities reports program revenues (either charges for services or operating grants) net of their direct expenses. All other revenues are categorized as general revenues. Certain expenses have been reclassified so that all identifiable program expenses are accounted for within their proper program, such as the allocation of employee benefits and depreciation expense. Governmental funds account for all revenues and expenses based on their function.

NOTE 3 - STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The budget officer submits tentative budgets to the Board of Trustees for the fiscal year commencing the following June 1st no later than March 20th for the General Fund and the Special Revenue Funds - Water, Public Library and Swimming Pool. The tentative budgets include proposed expenditures. After a public hearing is conducted to obtain taxpayer comments, normally no later than April 15, the governing board adopts the budget by May 1st.

All modifications of the budgets must be approved by the governing board.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 3 - STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (cont'd)

Budget Basis of Accounting:

The Budgets for the Village's operating funds are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls for the Capital Projects Fund and Community Development Block Grant, are established in accordance with the capital project authorization or applicable grant agreement which may cover a period more than the Village's fiscal year. Consequently, the annual budget for these funds represents the balance of unexpended appropriations available for the current fiscal year.

NOTE 4 - CASH AND CASH EQUIVALENTS/INVESTMENTS

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank deposits, certificates of deposits and short term investments with original maturities of three months or less from the date of acquisition.

Village's investments policies are governed by State statutes and its own written investment policy.

Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States Treasury and its agencies, New York State and its municipalities and repurchase agreements from an authorized trading partner. During this fiscal year, the Village's Cash and cash equivalents consisted of time deposits and demand deposits.

Cash or Cash Equivalent deposits are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The Village's investment policy requires that deposits be protected by the Federal Deposit Insurance Corporation (FDIC) or by eligible collateral pledged by the financial institution in the Village's name. Obligations that may be pledged as collateral are obligations of the United States of America, its agencies and obligations of New York State and its municipalities. At May 31, 2022 the Village's Aggregate bank balance disclosed in the financial statements was either covered by depository insurance or collateralized with securities held by the pledging financial institution in the Village's name. As of May 31, 2022,

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 4 - CASH AND CASH EQUIVALENTS/INVESTMENTS (cont'd)

Cash and Cash Equivalents (cont'd)

the Village did not have any deposits subject to custodial credit risk.

Investments

The Village's Length of Service Award Program (LOSAP) for its firefighters consists of investments that are measured at fair value on a recurring basis. The Village's LOSAP categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Village's LOSAP as of May 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>
Investment by Fair Value Level:		
Money Market Funds	\$ 62,079	\$ -0-
Corporate Bonds	-0-	290,094
Municipal Bonds	-0-	1,812,693
Exchange Traded Funds	394,168	-0-
Equity Funds	1,893,647	-0-
<u>Total Investments at Fair Value</u>	<u>\$ 2,349,894</u>	<u>\$ 2,102,787</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Federal agency securities, corporate bonds and municipal bonds classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Interest Rate Risk

The Village's LOSAP investments are subject to interest rate risk, which is the risk that an increase in market interest rates will adversely affect the fair value of the portfolio's fixed income securities. The Village's LOSAP investment policy limits bond maturities to a maximum average of 10 years. As of May 31, 2022, the Village's bond maturities were as follows:

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 4 - CASH AND CASH EQUIVALENTS/INVESTMENTS (cont'd)

Investments (cont'd)

Interest Rate Risk (cont'd)

<u>Investment Type</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>Total</u>
Corporate Bonds	\$ 64,863	\$ 68,189	\$ 157,042	\$ -0-	\$290,094
Municipal Bonds	<u>120,127</u>	<u>752,586</u>	<u>939,980</u>	<u>\$ -0-</u>	<u>1,812,693</u>
	<u>\$ 184,990</u>	<u>\$ 820,775</u>	<u>\$ 1,097,022</u>	<u>\$ -0-</u>	<u>\$ 2,102,787</u>

Credit Risk

The Village's LOSAP investment policy allows no more than 20% of the portfolio to be invested, directly or via underlying managers, in bonds that are unrated or below investment grade (BBB or Baa). As of May 31, 2022, credit ratings obtained from Moody's, for the fixed income portfolio are as follows:

<u>Investment Type</u>	<u>Aaa</u>	<u>Aa1 through Aa3</u>	<u>A1 through A3</u>	<u>Baa1 through Baa3</u>	<u>Ba1 through Ba3</u>	<u>Not Rated</u>	<u>Total</u>
Corporate Bonds	\$ -0-	\$ -0-	\$ 131,867	\$ 40,889	\$ 39,800	\$ 77,538	\$ 290,094
Municipal Bonds	<u>79,198</u>	<u>397,016</u>	<u>469,812</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>866,667</u>	<u>1,812,693</u>
	<u>\$ 79,198</u>	<u>\$ 397,016</u>	<u>\$ 601,679</u>	<u>\$ 40,889</u>	<u>\$ 39,800</u>	<u>\$ 944,205</u>	<u>\$ 2,102,787</u>

\$803,998 of the \$944,204 not rated by Moody's is rated BBB + or greater by Standard & Poor's.

Concentration of Credit Risk

The Village's LOSAP investment policy minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Village's LOSAP investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The maximum portion of the portfolio in a single diversified fund is 15%. The maximum portion of the portfolio in a single security is 5%. The Village was in compliance with this policy.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the custodian, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investments of the Village are registered in the name of the Village.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 5 - CAPITAL ASSET ACTIVITY

Capital asset activity for the Village for the year ended  
May 31, 2022, was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions and Reclassifications</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 390,000	\$ -0-	\$ -0-	\$ 390,000
Construction in Progress	18,973,409	8,400,175	3,820,721	23,552,863
Total Capital Assets Not Being Depreciated	\$ 19,363,409	\$ 8,400,175	\$ 3,820,721	\$ 23,942,863
<u>Depreciable Capital Assets</u>				
Infrastructure	\$ 41,054,062	\$ -0-	\$ -0-	\$ 41,054,062
Improvements other than Buildings	7,951,986	3,334,331	-0-	11,286,317
Buildings	17,055,667	434,102	(156,780)	17,332,989
Machinery and Equipment	13,943,777	429,169	(106,875)	14,266,071
Total Depreciable Assets	\$ 80,005,492	\$ 4,197,602	\$ (263,655)	\$ 83,939,439
<u>Less Accumulated Depreciation:</u>	<u>Beginning Balance</u>	<u>Additions and Reclassifications</u>	<u>Retirements</u>	<u>Ending Balance</u>
Infrastructure	\$ 30,914,070	\$ 902,837	\$ -0-	\$ 31,816,907
Improvements Other Than Buildings	4,919,330	219,785	-0-	5,139,115
Buildings	11,052,702	369,379	(156,780)	11,265,301
Machinery and Equipment	10,776,369	523,562	(106,875)	11,193,056
Total Accumulated Depreciation	\$ 57,662,471	\$ 2,015,563	\$ (263,655)	\$ 59,414,379
Total Net Depreciable Capital Assets	\$ 22,343,021	\$ 2,182,039	\$ -0-	\$ 24,525,060
Total Net Capital Assets	\$ 41,706,430			\$ 48,467,923

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 5 - CAPITAL ASSET ACTIVITY (cont'd)

Depreciation expense was charged to governmental functions as follows:

General Government Support	\$ 250,414
Public Safety	231,209
Transportation	727,892
Culture and Recreation	255,790
Home and Community Services	535,846
Economic Assistance & Opportunity	<u>14,412</u>
 <u>Total Depreciation Expense</u>	 <u>\$ 2,015,563</u>

NOTE 6 - NONCURRENT LIABILITIES

Long-Term Debt transactions for the year ended May 31, 2022 can be summarized as follows:

				Balance May 31, 2022	<u>Noncurrent Liabilities</u>	
	Balance June 1, 2021	Additions	Reductions		Due Within One Year	Due In More Than One Year
Serial Bonds Payable	\$ 28,575,000	\$ 6,574,573	\$ 535,000	\$ 34,614,573	\$ 679,573	\$ 33,935,000
Premium on Bonds	1,509,244	200,130	54,676	1,654,698	57,734	1,596,964
Judgments and Claims Payable	577,468	553,604	577,468	553,604	553,604	-0-
Compensated Absences	<u>2,712,859</u>	<u>-0-</u>	<u>131,299</u>	<u>2,581,560</u>	<u>7,130</u>	<u>2,574,430</u>
<u>Totals</u>	<u>\$ 33,374,571</u>	<u>\$ 7,328,307</u>	<u>\$ 1,298,443</u>	<u>\$ 39,404,435</u>	<u>\$ 1,298,041</u>	<u>\$ 38,106,394</u>

Serial Bonds Payable

On September 10, 2020, the Village sold \$7,600,000 of 2020 public improvement serial bonds and on January 26, 2021 \$20,975,000 of 2021 public improvement serial bonds. These bonds constitute general obligations of the Village and contain a pledge of its faith and credit for the payment of the principal and interest on bonds and taxable real property within the Village is subject to the levy of ad valorem taxes, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). The Bonds maturing on or after September 1, 2029 will be subject to optional early redemption.

The 2020 public improvement serial bonds were issued pursuant to the Constitution and laws of New York State and two bond resolutions adopted by the Village Board of Trustees on July 1, 2020. Said bond resolutions authorize the issuance of \$4,000,000 serial bonds to finance the construction of improvements to the Village water system.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 6 - NONCURRENT LIABILITIES (cont'd)

Serial Bonds Payable (cont'd)

facilities at Well No. 7 and \$4,000,000 serial bonds to finance the construction of a new administration building on Village-owned land on Westbury Avenue.

The 2021 public improvement serial bonds were issued pursuant to the Constitution and laws of New York State and two bond resolutions adopted by the Village Board of Trustees on October 14, 2020 and November 18, 2020. Said bond resolutions authorize the issuance of \$3,056,000 serial bonds to finance the construction of improvements to the Main Street sanitary sewer improvement project and \$19,000,000 serial bonds to finance the construction of a new fire headquarters, respectively.

On November 23, 2021, the Village sold \$6,574,573 of public improvement serial bonds, 2021 series B. These bonds constitute general obligations of the Village and contain a pledge of its faith and credit for the payment of the principal and interest on bonds and taxable real property within the Village is subject to the levy of ad valorem taxes, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). The bonds maturing on or after November 15, 2030, will be subject to optional early redemption.

The Village received a \$449,932 bond premium on bonds issued in September 2020, \$1,081,958 premium on bonds issued in January 2021 and \$200,130 premium on bonds issued in November 2021. The premiums are being amortized over the life of the bonds using the straight-line method. During the current year the Village amortized \$54,676 of the bond premium by reducing interest expense on the Village-wide Financial Statements.

The following is a summary of serial bonds payable at May 31, 2022:



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

**NOTE 6 - NONCURRENT LIABILITIES (cont'd)**

**Serial Bonds Payable (cont'd)**

<u>Serial Bonds</u>	<u>Interest Rate (%)</u>	<u>Principal</u>
2020 Public Improvement Serial Bonds		
Issue date 9/10/2020, Amount \$7,600,000		
Final Payment Dated 9/1/2050	2.00% - 5.00%	\$ 7,495,000
2021 Public Improvement Serial Bonds		
Issue date 1/26/2021, Amount \$20,975,000		
Final Payment Dated 1/15/2051	2.00% - 5.00%	20,545,000
2021 Public Improvement Serial Bonds Series B		
Issue date 11/23/2021, Amount \$6,574,573		
Final Payment Dated 11/15/2051	2.00% - 5.00%	<u>6,574,573</u>
Total Principal of Bonds Outstanding		\$ 34,614,573
Unamortized Accrued Premium on Bonds		<u>1,654,698</u>
<b>Total</b>		<b><u>\$ 36,269,271</u></b>

Serial bonds outstanding at May 31, 2022 have interest and principal payments due as follows:

<u>Fiscal</u> <u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 31, 2023	\$ 679,573	\$ 1,010,642	\$ 1,690,215
May 31, 2024	820,000	886,188	1,706,188
May 31, 2025	860,000	844,688	1,704,688
May 31, 2026	905,000	801,188	1,706,188
May 31, 2027	945,000	755,563	1,700,563
May 31, 2028 - 2032	5,435,000	3,069,512	8,504,512
May 31, 2033 - 2037	6,200,000	2,296,362	8,496,362
May 31, 2038 - 2042	6,605,000	1,648,790	8,253,790
May 31, 2043 - 2047	6,310,000	1,002,753	7,312,753
May 31, 2048 - 2052	<u>5,855,000</u>	<u>311,087</u>	<u>6,166,087</u>
	\$ 34,614,573	\$ 12,626,773	\$ 47,241,346
Unamortized Premium on Bonds	<u>1,654,698</u>	<u>(1,654,698)</u>	<u>-0-</u>
<b>Total</b>	<b><u>\$ 36,269,271</u></b>	<b><u>\$ 10,972,075</u></b>	<b><u>\$ 47,241,346</u></b>

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 6 - NONCURRENT LIABILITIES (cont'd)

Judgment and Claims Payable

The following is a summary of Judgments and Claims Payable as of May 31, 2022:

	Total	Due Within One Year	Due in More Than One Year
Tax Certiorari	\$ 239,200	\$ 239,200	\$ -0-
Workers Compensation	314,404	314,404	-0-
	<u>\$ 553,604</u>	<u>\$ 553,604</u>	<u>\$ -0-</u>

Tax Certiorari

The Village has recorded a liability for tax certioraris in the amount of \$239,200 as of May 31, 2022. This entire amount was paid in the subsequent fiscal year.

Workers' Compensation

The Village self insures its liability for workers' compensation and its claims are handled by a third-party administrator. The premium for workers' compensation is shared by the General, Water, Swimming Pool and Library funds. The Village estimates its workers' compensation liability by consulting with its third party administrator and legal counsel. As of May 31, 2022, the Village estimates its workers' compensation liability to be \$314,404. The Village estimates the amount of workers' compensation that will be paid in the next twelve months to be \$314,404 and reports that amount as due within one year.

The following is a summary of the changes in claim liabilities for the previous and current fiscal year ended May 31:

Fiscal Year		Claims Incurred Net of Adjustment		
May 31	Beginning Balance	to Reserves	Payments	Ending Balance
2022	\$ 444,968	\$ 7,874	\$ (138,438)	\$ 314,404
2021	214,385	430,574	(199,991)	444,968
2020	139,415	(748,571)	(823,541)	214,385

Compensated Absences

The Village's liability for vested or accumulated compensated absences, such as accrued vacation and sick pay, is \$2,581,560 and has been accrued in the Statement of Net Position.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 6 - NONCURRENT LIABILITIES (cont'd)

Compensated Absences (cont'd)

The Village records the current portion of this liability based on specific employees that have announced their retirement and are due an amount for compensated absences at May 31, 2022.

NOTE 7 - INTERFUND TRANSACTIONS

Due from and due to other Funds consists of the following at May 31, 2022:

<u>Major Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 51,754	\$ 42,456
Water	-0-	21,751
Capital	42,456	-0-
<u>Total Major Funds</u>	<u>\$ 94,210</u>	<u>\$ 64,207</u>
<u>Non-Major Funds</u>		
Library	\$ -0-	\$ 18,914
Swimming Pool	-0-	4,938
Special Grant	-0-	6,151
<u>Total Non-Major Funds</u>	<u>\$ -0-</u>	<u>\$ 30,003</u>
 <u>TOTAL</u>	 <u>\$ 94,210</u>	 <u>\$ 94,210</u>

Interfund revenue transfers and interfund expenditure transfers for the year ending May 31, 2022 were as follows:

<u>Major Funds</u>	<u>Interfund Revenue Transfers</u>	<u>Interfund Expenditure Transfers</u>
General	\$ 100,000	\$ 2,384,375
Water	-0-	100,000
Special Grant	-0-	-0-
<u>Total Major Funds</u>	<u>\$ 100,000</u>	<u>\$ 2,484,375</u>
<u>Non-Major Funds</u>		
Library	\$ 1,800,041	\$ -0-
Swimming Pool	584,334	-0-
Capital	-0-	-0-
<u>Total Non-Major Funds</u>	<u>\$ 2,384,375</u>	<u>\$ -0-</u>
<u>TOTALS</u>	<u>\$ 2,484,375</u>	<u>\$ 2,484,375</u>

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS

The Village sponsors defined benefit pension plans for its employees and volunteer firefighters. The employees are entitled to pension benefits from the New York State and Local Employees' Retirement System and the firefighters plan is a Length of Service Award Program (LOSAP).

Below is the composition of each plan's balance in the Village's financial statements at May 31, 2022.

	<u>ERS</u>	<u>LOSAP</u>	<u>TOTAL</u>
Pension Asset	\$ 1,740,040	\$ -0-	\$ 1,740,040
Deferred Outflows- Pensions Related	3,363,714	1,848,500	5,212,214
Deferred Outflows- Subsequent Payments	<u>134,511</u>	<u>222,392</u>	<u>356,903</u>
Total Deferred Outflows	\$ 3,498,225	\$ 2,070,892	\$ 5,569,117
Pension Liabilities	\$ -0-	\$ 9,542,222	\$ 9,542,222
Deferred Inflows- Pensions Related	\$ 6,028,015	\$ 962,509	\$ 6,990,524

The following is information about the two plans.

Employees' Retirement System (ERS)

General Information About the Pension Plan

Plan Description & Benefits Provided

The Village participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee; and the Audit Advisory Committee. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

General Information About the Pension Plan (cont'd)

Plan Description & Benefits Provided (cont'd)

Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php).

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits.

Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

General Information About the Pension Plan (cont'd)

Plan Description & Benefits Provided (cont'd)

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year used in final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

General Information About the Pension Plan (cont'd)

Plan Description & Benefits Provided (cont'd)

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous four years.

*Disability Benefits*

Disability retirement benefits are available to members who are unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits.

Eligibility, benefit amounts, and other rules such as any offsets other benefits depend on a member's tier and years of service.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

General Information About the Pension Plan (cont'd)

Plan Description & Benefits Provided (cont'd)

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The contribution paid during the current year was equal to 100 percent of the required payment. The contractually required contribution for the year ended May 31, 2022 was \$1,131,946.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2022, the Village reported an asset of \$1,740,040 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Village's proportion of the net pension asset was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2022, the Village's proportion was 0.0212860 percent, which was a decrease of 0.0005429 from its proportion measured as of March 31, 2021.



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

General Information About the Pension Plan (cont'd)

Plan Description & Benefits Provided (cont'd)

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)

For the year ended May 31, 2022, the Village recognized pension expense of \$163,804. At May 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 131,776	\$ 170,921
Changes of Assumptions	2,903,932	49,001
Net difference between projected and actual earnings on pension plan investments	-0-	5,697,902
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	328,006	110,191
Employer contributions subsequent to the measurement date	<u>134,511</u>	<u>-0-</u>
<u>Total</u>	<u>\$ 3,498,225</u>	<u>\$ 6,028,015</u>

The amount of \$134,511 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended May 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ended May 31:</u>		
2023	\$	(349,329)
2024	\$	(572,832)
2025	\$	(1,455,465)
2026	\$	(286,675)
2027	\$	-0-
Thereafter	\$	-0-

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

Actuarial Assumptions

The total pension liability (asset) at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability (asset) to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

Significant actuarial assumptions used in April 1, 2021 valuation were as follows:

Inflation rate	2.7%
Salary scale	
ERS	4.4%
Investment rate of return, including inflation	5.9% Compounded annually, net of investment expenses
Cost of Living Adjustment	1.4% Annually

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

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

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Employees' Retirement System (ERS) (cont'd)

Actuarial Assumptions (cont'd)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate</u>
Domestic Equity	32%	3.30%
International Equity	15%	5.85%
Private Equity	10%	6.50%
Real Estate	9%	5.00%
Opportunistic/ARS Portfolio	3%	4.10%
Credit	4%	3.78%
Real Assets	3%	5.80%
Fixed Income	23%	0.00%
Cash	1%	(1.00)%
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption 2.50%.

Discount Rate

The discount rate used to measure the total pension liability (asset) was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

	<u>1% Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Village's proportionate share of the net pension liability (Asset)	\$ 4,478,844	\$ (1,740,040)	\$ (6,941,837)

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption (cont'd)

The components of the current-year net pension liability (asset) of the employers as of March 31, 2022, was as follows:

	(Dollars in Thousands)
	<u>Employees'</u>
	<u>Retirement System</u>
Employers' total pension liability	\$ 223,874,888
Plan fiduciary net position	<u>(232,049,473)</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	103.65%

Village Sponsored Fire Service Award Program

General Information about the Pension Plan

The Incorporated Village of Mineola financial statements are for the year ended May 31, 2022. The information contained in this note is based on information for the Incorporated Village of Mineola Service Award Program for the program year ending on December 31, 2021, which is the most recent program year.

Length of Service Awards Program - LOSAP

The Incorporated Village of Mineola (the "Sponsor") established a single employer defined benefit Service Award Program referred to as a "LOSAP" - length of service award program - under Section 457(e)(11) of the Internal Revenue Code effective January 1, 1991 for the active volunteer firefighter members of the Mineola Fire Department. 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. The Incorporated Village of Mineola is the sponsor of the program and the program administrator.

Plan Description

Under the program, participating volunteers begin to be paid a service award upon attainment of the program "entitlement age". The amount of the service award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the program for performing active volunteer firefighter activities.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Length of Service Awards Program - LOSAP (cont'd)

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five (5) years of firefighting service, becoming totally and permanently disabled, dying while an active volunteer, or upon attaining the program's entitlement age. The program's entitlement age is the later of age 60 or age after first earning a year of service credit under the point system. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty 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 credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of the Mineola Fire Department.

Benefits Provided

A participant's service award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned by the volunteer under the point system. The maximum number of years of service credit a participant may earn is 40 years under the program. Participants who remain active after the entitlement age and earn additional service credit are awarded an annual payment of \$240 each year beginning the January 1 after the year in which the service credit is earned. Each additional \$240 annual payment is payable for the lifetime of the participant. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of death or total and permanent disablement, service awards commence to be paid when a participant attains the entitlement age. The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement. The program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are "self-insured" and are paid from the program trust fund. For a complete explanation of the program, see the Program Document a copy of which is available from the Village Clerk.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Length of Service Awards Program - LOSAP (cont'd)

Fiduciary Investment and Control

After the end of each calendar year, the fire department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year indicating which volunteers earned fifty points. The certified list is delivered to the Board of Trustees for the Board's review and approval. The fire department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Board of Trustees.

The Board of Trustees has retained Firefly Admin, Inc. to assist in the administration of the program. The services provided by Firefly Admin, Inc. are the preparation of Service Award payment certification and trustee directive letters, recertification due to service adjustment, preparation of IRS Forms 1099 and 1096, preparation and mailing to clients of IRS Form 1096 transmittal package with instructions.

Based on the certified calendar year volunteer firefighter listings Firefly Admin, Inc. determines and certifies in writing to the Treasurer the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The Treasurer, as custodian of the Incorporated Village of Mineola's LOSAP trust funds, presents the service award to the Board of Trustees for approval at a board meeting. No service award benefit payment is made without the written certification from Firefly Admin, Inc. and approval, via resolution, from the Board of Trustees. Administrative expenses are authorized for payment by the Board of Trustees in the same manner as any other invoice presented to the Village for payment and are an expenditure of the general fund. A resolution each year at Organization Night authorizes the Treasurer to be the custodian of LOSAP.

Participants Covered by the Benefit Terms

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

Participants currently receiving benefit payments	50
Inactive participants entitled to but not yet receiving benefit payments	95
Active participants	<u>72</u>
<u>Total</u>	<u>217</u>

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Length of Service Awards Program - LOSAP (cont'd)

Contributions

New York State General Municipal Law §219(d) requires the Village to engage an actuary to determine the annual amount required to be contributed to the Trust Fund. This amount is appropriated and contributed annually by the Village.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the 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 subject 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.

Measurement of Total Pension Liability

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

*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:

Valuation Date:	December 31, 2021
Measurement Date:	December 31, 2021
Discount Rate:	2.25%
Actuarial Cost Method:	Entry Age Normal
Inflation:	0.00%
Salary Scale:	None Assumed

Mortality rates were based on the RP-2014 Male/Female no projection for mortality improvement.

*Discount Rate.* The discount rate used to measure the total pension liability was 2.25%. 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.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Length of Service Awards Program - LOSAP (cont'd)

Measurement of Total Pension Liability (cont'd)

Changes of assumptions or other inputs.

	<u>12/31/2021</u>	<u>12/31/2020</u>
Discount Rate	2.25%	1.93%

Changes in the Total Pension Liability

Balance as of 12/31/2020 measurement date	\$ 9,992,551
Service Cost	334,296
Interest	196,582
Changes of assumptions or other inputs	(557,102)
Differences between expected and actual experience	(140,282)
Benefit Payments	<u>(283,823)</u>
Net Change in total pension liability	\$ <u>(450,329)</u>
Balance as of 12/31/2021 measurement date	<u>\$ 9,542,222</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 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percent point lower (1.25 percent) or 1-percentage point higher (3.25 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.25%)</u>	<u>Current Discount Rate</u> <u>(2.25%)</u>	<u>1% Increase</u> <u>(3.25%)</u>
Total pension liability	\$11,453,790	\$9,542,222	\$8,068,860

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 \$977,067. At May 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 8 - PENSION PLANS (cont'd)

Village Sponsored Fire Service Award Program (cont'd)

Length of Service Awards Program - LOSAP (cont'd)

Pension Expense and Deferred Outflows of Resources and Deferred  
Inflows of Resources Related to Pensions (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,590	\$ 160,844
Changes of assumptions or other inputs	1,834,910	801,665
Benefit payments & administrative expenses subsequent to the measurement date	<u>222,392</u>	<u>-0-</u>
<u>Total</u>	<u>\$ 2,070,892</u>	<u>\$ 962,509</u>

The amount of \$222,392 reported as 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 ended May 31, 2023.

Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ended May 31:</u>		
2023	\$	433,722
2024	\$	433,722
2025	\$	158,862
2026	\$	(15,947)
2027	\$	(64,846)
Thereafter	\$	(59,522)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information About the Plan

Plan Description

The Village's defined benefit OPEB plan provides medical, Medicare part B reimbursement and life insurance benefits in accordance with its employment contracts. The plan is a single employer defined benefit OPEB plan administered by the Village. A retiree must be 55 years old with 5

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont'd)

A. General Information About the Plan (cont'd)

Plan Description (cont'd)

years of service to be eligible for the benefits as a retiree. These postemployment healthcare benefits are provided through insurance companies whose premiums are based on the benefits paid during the year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Village provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Village's offices and are available upon request.

Employees Covered by Benefit Terms

At May 31, 2022 the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	87
Active Plan Members	<u>98</u>
Total Plan Members	<u>185</u>

B. Total OPEB Liability

The Village's total OPEB liability of \$60,846,288 was measured as of May 31, 2022 and was determined by an actuarial valuation as of June 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the May 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs.

Salary increase	3.50%
Discount rate	3.16%
Healthcare cost trend rate	7.00%

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont'd)

B. Total OPEB Liability (cont'd)

Actuarial Assumptions and Other Inputs (cont'd)

Trend Rates Applicable to Premiums

<u>Year</u>	<u>Current Valuation*</u>
2021	7.00%
2022	6.50%
2023	6.00%
2024	5.50%
2025+	5.00%

\* Medicare-Eligible Medical Costs are assumed to increase at a rate of 5.0% per annum.

The discount rate was based on a review of Bond Buyer's 20 Bond Index, as of May 31, 2022.

Mortality- Unisex pre-retirement mortality rates from Exhibit 2-2 of the report "Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plan Actuarial Valuations" for New York/SUNY prepared by AON dated June 2019 using Projection Scale MP 2021.

C. Changes in the Total OPEB Liability

Balance as of June 1, 2021	\$ 63,098,520
<u>Changes for the year -</u>	
Service Cost	2,869,253
Interest	1,556,346
Changes in benefit terms	-0-
Differences between expected and actual experience	7,012,414
Changes in Assumptions and other inputs	(12,317,285)
Benefit Payments	<u>(1,372,960)</u>
Net Changes	<u>\$ (2,252,232)</u>
Balance as of May 31, 2022	<u>\$ 60,846,288</u>

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont'd)

C. Changes in the Total OPEB Liability (cont'd)

Notes:

Plan Changes - Future Union employees hired on or after June 1, 2021 must contribute 20% of the premium in retirement.

Assumption changes -

The mortality improvement scale was updated.

The discount rate was 2.20% as of May 31, 2021 and 3.16% as of May 31, 2022.

Sensitivity of the Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16%) or one percentage point higher (4.16%) than the current discount rate:

	1% Decrease 2.16	Discount Rate 3.16	1% Increase 4.16
<u>Total OPEB liability</u>	<u>\$ 72,114,281</u>	<u>\$ 60,846,288</u>	<u>\$ 51,943,280</u>

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing to 4.00%) or one percentage point higher (8.00% decreasing to 6.00%) than the current rate.

	1% Decrease (6.00% decreasing to 4.00%)	Trend Rates 7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
<u>Total OPEB liability</u>	<u>\$ 50,585,644</u>	<u>\$ 60,846,288</u>	<u>\$ 74,301,552</u>

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

For the year ended May 31, 2022, the Village recognized OPEB expense of \$5,174,733. At May 31, 2022, the Village Reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont'd)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont'd)

	Deferred Outflows of Resources OPEB	Deferred Inflows of Resources OPEB
Differences between expected and actual experience	\$ 5,672,293	\$ 1,890,698
Changes of assumptions	6,861,581	10,265,183
Village's contributions subsequent to measurement date	-0-	-0-
<u>Total</u>	<u>\$ 12,533,874</u>	<u>\$ 12,155,881</u>

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

2023	\$ 749,134
2024	\$ 692,844
2025	\$ 237,406
2026	\$ (1,061,809)
2027	\$ (239,582)
Thereafter	\$ -0-

NOTE 10 - RISK MANAGEMENT

The Village of Mineola is exposed to various risks of loss related to torts; theft, damages to, and destruction of assets; errors and omissions; trip and fall injuries; and natural disasters, all of which are insured by general liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Village self insures its liability for worker's compensation. Please see Note 6 for details on its estimated liability.

NOTE 11 - OPERATING LEASES

The Village leases property and equipment under operating leases. The maximum future non-cancelable operating lease payments are as follows:

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 11 - OPERATING LEASES (cont'd)

<u>Years ended May 31,</u>	<u>Amount</u>
2023	\$ 63,205
2024	19,859
2025	19,859
2026	19,859
2027	9,929
2028	-0-
	<u>\$ 132,711</u>

NOTE 12 - CONTINGENCIES

Management has advised us that there are a number of real estate tax certiorari cases pending. The Village has always and will continue to vigorously defend against these cases. The Village cannot estimate the liability, if any, on the outcome of these cases. However, it is anticipated that these cases will not have a material effect on the Village's financial position.

NOTE 13 - TAX ABATEMENTS

The Village receives payments in lieu of taxes (PILOT) from Nassau County as a result of property tax abatement programs entered into by the Nassau County Industrial Development Agency under New York State Real Property Tax Law §412-a. GASB Statement 77, *Tax Abatement Disclosures*, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or other benefits to the governments or the citizens of those governments.

The Village's property tax revenue was reduced \$1,146,831. The Village received payment in lieu of taxes (PILOT) payments totaling \$391,193 from Nassau County. As part of the PILOT agreements the Village also received annual Host Community Benefit payments totaling \$890,878.

The Village also received \$119,325 of PILOT related to the Long Island Power Authority (LIPA); these LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77 *Tax Abatement Disclosures*.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Encumbrances

Encumbrances as of May 31, 2022 totaled \$10,415,349 in the Village's Governmental funds. The balance is summarized as follows:

Restricted:

Capital Projects Fund	\$ 10,099,057
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Assigned: Unappropriated Fund Balance:

General Fund	<u>316,293</u>
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Total Encumbrances	<u>\$ 10,415,350</u>
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NOTE 15 - NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued pronouncements not yet required to be implemented by the Village of Mineola. The Statements that will impact the Village of Mineola are as follows:

GASB Statement No. 87 - In June 2018, GASB issued Statement No. 87, *Leases*. GASB No. 87 increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement is effective for the year ending May 31, 2023.

GASB Statement No. 91 - In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB No. 91 requires a single method of reporting conduit debt obligations by issuers. The objective is to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the reporting periods beginning after December 15, 2021. This statement is effective for the Village's year ending May 31, 2023.

GASB Statement No. 92 - In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for the reporting periods beginning after June 15, 2021. This statement is effective for the Village's year ending May 31, 2023.

INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 15 - NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS  
(cont'd)

GASB Statement No. 93 - In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This statement establishes accounting and financial reporting requirements related to the replacement of LIBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. This statement is effective for the Village's year ending May 31, 2023.

GASB Statement No. 94 - In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement establishes standards of accounting and financial reporting for public-public partnership arrangements (PPPs) and Availability Payment Arrangements (APAs). The requirements of this statement are effective for the reporting periods beginning after June 15, 2022. This statement is effective for the Village's year ending May 31, 2024.

GASB Statement No. 96 - In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the reporting periods beginning after June 15, 2022. This statement is effective for the Village's year ending May 31, 2024.

GASB Statement No. 97 - In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This Statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The requirements for this Statement are effective for the reporting periods beginning after June 15, 2021. This statement is effective for the Village ending May 31, 2023.



INCORPORATED VILLAGE OF MINEOLA

NOTES TO FINANCIAL STATEMENTS

AS OF MAY 31, 2022

NOTE 15 - NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS  
(cont'd)

GASB Statement No. 99 - In April 2022, GASB issued Statement No. 99, Omnibus 2022. This statement addresses practice issues that have been identified during the implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements for this statement relating to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

The Village's management has not yet determined the effect these statements will have on its financial statements.

NOTE 16 - VILLAGE OPERATIONS DURING THE PANDEMIC

From March 2020 through May 31, 2022 the Village's operations have been affected by the outbreak of the Coronavirus Disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The United States and world economies are suffering damage from this pandemic and the ultimate impact of COVID-19 on the financial performance of the Village is not reasonably estimable at this time. However, management of the Village does not believe it to be material.

NOTE 17 - 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 of or disclosure in the financial statements.

INCORPORATED VILLAGE OF MINNEOLA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
- BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2022

	Budgets		Actual	Over (Under) Revised Budget
	Original	Revised		
<b>REVENUES</b>				
Real Property Taxes	\$ 14,317,316	\$ 14,317,316	\$ 14,503,306	\$ 185,990
Other Tax Items	60,000	60,000	64,217	4,217
Non-Property Tax Items	957,234	957,234	1,001,738	44,504
Departmental Income	676,000	676,000	795,852	119,852
Use of Money and Property	338,500	338,500	263,009	(69,491)
Licenses and Permits	655,000	655,000	1,210,843	555,843
Fines and Forfeitures	1,380,000	1,380,000	1,452,688	72,688
Sale of Property and Compensation for Loss	15,000	15,000	88,027	73,027
Miscellaneous	835,000	835,000	1,030,118	195,118
State Aid	971,711	971,711	1,570,535	598,824
Federal Aid	1,000,000	1,000,000	984,971	(15,029)
<b>Total Revenues</b>	<b>\$ 21,205,761</b>	<b>\$ 21,205,761</b>	<b>\$ 22,971,304</b>	<b>\$ 1,765,543</b>
<b>EXPENDITURES</b>				
General Government Support	\$ 5,021,065	\$ 4,559,522	\$ 4,550,436	\$ (9,086)
Public Safety	1,477,956	1,726,289	1,726,289	-0-
Health	60,000	60,000	60,000	-0-
Transportation	3,271,840	3,140,049	3,140,049	-0-
Economic Assistance and Opportunity	-0-	-0-	-0-	-0-
Culture and Recreation	472,450	680,577	680,577	-0-
Home and Community Services	2,801,406	2,912,317	2,912,317	-0-
Employee Benefits	4,633,000	4,658,963	4,658,963	-0-
Debt Service, Principal	505,000	505,000	505,000	-0-
Debt Service, Interest	704,593	704,593	704,593	-0-
<b>Total Expenditures</b>	<b>\$ 18,947,310</b>	<b>\$ 18,947,310</b>	<b>\$ 18,938,224</b>	<b>\$ (9,086)</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ 2,258,451</b>	<b>\$ 2,258,451</b>	<b>\$ 4,033,080</b>	<b>\$ 1,774,629</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Premium on Securities Issued	\$ -0-	-0-	-0-	-0-
Interfund Transfers In	100,000	100,000	100,000	-0-
Interfund Transfers Out	(2,384,375)	(2,384,375)	(2,384,375)	-0-
<b>Total Other Financing Sources and Uses</b>	<b>\$ (2,284,375)</b>	<b>\$ (2,284,375)</b>	<b>\$ (2,284,375)</b>	<b>\$ -0-</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ (25,924)</b>	<b>\$ (25,924)</b>	<b>\$ 1,748,705</b>	<b>\$ 1,774,629</b>
<b>Fund Balance - Beginning</b>	<b>12,331,536</b>	<b>12,331,536</b>	<b>12,331,536</b>	<b>-0-</b>
<b>Fund Balance - Ending</b>	<b>\$ 12,305,612</b>	<b>\$ 12,305,612</b>	<b>\$ 14,080,241</b>	<b>\$ 1,774,629</b>

**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 MINNEOLA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
- BUDGET AND ACTUAL - WATER FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2022

	Budgets		Actual	Over (Under) Revised Budget
	Original	Revised		
<b>REVENUES</b>				
Departmental Income	\$ 2,875,442	\$ 2,878,431	\$ 3,223,966	\$ 345,535
Use of Money and Property	1,000	1,000	-0-	(1,000)
Licenses and Permits	-0-	-0-	-0-	-0-
Sale of Property and Compensation for Loss	-0-	-0-	-0-	-0-
Miscellaneous	15,000	-0-	36,640	36,640
State Sources	-0-	-0-	-0-	-0-
Federal Sources	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	<b>\$ 2,891,442</b>	<b>\$ 2,879,431</b>	<b>\$ 3,260,606</b>	<b>\$ 381,175</b>
<b>EXPENDITURES</b>				
General Government Support	3,000	3,061	3,061	-0-
Home and Community Services	2,334,678	2,410,739	2,181,202	(229,537)
Employee Benefits	527,000	438,867	438,867	-0-
Debt Service - Principal	30,000	30,000	30,000	-0-
Debt Service - Interest	151,267	151,267	151,267	-0-
<b>Total Expenditures</b>	<b>\$ 3,045,945</b>	<b>\$ 3,033,934</b>	<b>\$ 2,804,397</b>	<b>(229,537)</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$ (154,503)</b>	<b>\$ (154,503)</b>	<b>\$ 456,209</b>	<b>\$ 610,712</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Premium on Securities Issued	-0-	-0-	200,130	200,130
Interfund Transfers In	-0-	-0-	-0-	-0-
Interfund Transfers Out	(100,000)	(100,000)	(100,000)	-0-
<b>Total Other Financing Sources and Uses</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ 100,130</b>	<b>\$ 200,130</b>
<b>Net Change in Fund Balance</b>	<b>\$ (254,503)</b>	<b>\$ (254,503)</b>	<b>\$ 556,339</b>	<b>\$ 810,842</b>
<b>Fund Balance - Beginning</b>	<b>1,147,075</b>	<b>1,147,075</b>	<b>1,147,075</b>	<b>-0-</b>
<b>Fund Balance - Ending</b>	<b>\$ 892,572</b>	<b>\$ 892,572</b>	<b>\$ 1,703,414</b>	<b>\$ 810,842</b>

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 MINEOLA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE VILLAGE'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
AS OF MAY 31, 2022

Measurement date May 31,	2022	2021	2020	2019
<u>Total OPEB Liability:</u>				
Service cost	\$ 2,869,253	\$ 2,444,082	\$ 1,691,093	\$ 1,672,146
Interest	1,556,346	1,358,097	1,725,196	1,808,053
Differences between expected and actual experience in the measurement of the total OPEB liability	7,012,414	-0-	(3,768,878)	-0-
Changes of assumptions or other inputs	(12,317,285)	(448,581)	11,749,794	3,014,078
Benefits Payments	<u>(1,372,960)</u>	<u>(1,364,406)</u>	<u>(1,282,462)</u>	<u>(1,084,198)</u>
<u>Net change in total OPEB Liability</u>	\$ <u>(2,252,232)</u>	\$ 1,989,192	\$ 10,114,743	\$ 5,410,079
Total OPEB liability- beginning of year	<u>63,098,520</u>	<u>61,109,328</u>	<u>50,994,585</u>	<u>45,584,506</u>
Total OPEB liability- end of year	\$ <u>60,846,288</u>	\$ <u>63,098,520</u>	\$ <u>61,109,328</u>	\$ <u>50,994,585</u>
Covered payroll	\$ 5,604,101	\$ 5,956,842	\$ 5,811,553	\$ 5,727,905
Total OPEB liability as percentage of covered payroll	1085.74%	1059.26%	1051.51%	890.28%
<u>Notes to Required Supplementary Information:</u>				
Plan Changes:	None; Cost sharing change for future Union employees	None	None	None
Assumption Changes:				
Discount Rate	3.16%	2.20%	2.16%	3.51%

Plan Assets:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, Paragraph 4, to pay related benefits.

This schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

See Paragraph on Required Supplementary Information Included in Independent Auditor's Report

INCORPORATED VILLAGE OF MINEOLA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

NYERS PENSION PLAN

LAST 10 FISCAL YEARS \*

	2022	2021	2020	2019	2018	2017	2016	2015	2014 **	2013 **
Village's proportion of the net pension liability/(asset)	0.0212860%	0.0218289%	0.0227855%	0.0211938%	0.0215715%	0.0240065%	0.0211300%	0.0222164%	N/A	N/A
Village's proportionate share of the net pension liability/(asset)	\$ (1,740,040)	\$ 21,736	\$ 6,033,724	\$ 1,501,646	\$ 696,208	\$ 2,255,708	\$ 3,391,430	\$ 750,523	N/A	N/A
Village's covered-employee payroll	\$ 7,274,350	\$ 6,893,959	\$ 6,975,456	\$ 6,914,364	\$ 6,459,687	\$ 6,279,868	\$ 6,951,168	\$ 5,900,727	N/A	N/A
Village's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	(23.92)%	0.31%	86.50%	21.72%	10.78%	35.92%	48.79%	12.72%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability/(asset)	103.65%	99.95%	86.39%	96.27%	98.2%	94.7%	90.7%	97.9%	N/A	N/A
Discount Rate	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%		

\* The amounts presented for each fiscal year were determined as of March 31.  
N/A = Not Available

Notes to Required Supplementary Information

\*\* This schedule is presented to illustrate the requirement to show information for 10 years.  
Additional years will be displayed as they become available.

INCORPORATED VILLAGE OF MINEOLA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF VILLAGE CONTRIBUTIONS

NYERS PENSION PLAN

LAST 10 FISCAL YEARS \*

	2022	2021	2020	2019	2018	2017	2016	2015	2014 *	2013 **
Contractually required contribution	\$ 1,131,946	\$ 1,025,826	\$ 1,005,687	\$ 951,929	\$ 945,572	\$ 1,060,540	\$ 1,003,006	\$ 1,105,141	N/A	N/A
Contributions in relation to the contractually required contribution	1,131,946	1,025,826	1,005,687	951,929	945,572	1,060,540	1,003,006	1,105,141	N/A	N/A
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	N/A	N/A
Village's covered-employee payroll	\$ 7,342,646	\$ 6,765,801	\$ 6,945,796	\$ 6,955,273	\$ 6,528,709	\$ 6,388,371	\$ 6,222,046	\$ 6,515,589	N/A	N/A
Contributions as a percentage of covered-employee payroll	15.41%	15.16%	14.48%	13.69%	14.48%	16.58%	16.12%	16.96%	N/A	N/A

\* The amounts presented for each fiscal year were determined as of May 31.  
N/A = Not Available

Note to Required Supplementary Information

\*\* This schedule is presented to illustrate the requirement to show information for 10 years.  
Additional years will be displayed as they become available.

INCORPORATED VILLAGE OF MINEOLA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN VILLAGE'S LENGTH OF SERVICE AWARD PROGRAM  
(LOSAP) TOTAL PENSION LIABILITY  
LAST FIVE FISCAL YEARS

Measurement date as of December 31,	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 334,296	\$ 235,291	\$ 232,624	\$ 184,170	\$ 157,983
Interest	196,582	257,981	254,545	228,834	238,547
Changes of assumptions or other inputs	(557,102)	2,042,311	696,222	(524,322)	581,355
Differences between expected and actual experience	(140,282)	(68,823)	2,352	18,809	(13,342)
Benefits payments	(283,823)	(302,490)	(233,578)	(177,600)	(180,340)
Net Change in total pension liability	\$ (450,329)	\$ 2,164,270	\$ 952,165	\$ (270,109)	\$ 784,203
Total Pension Liability - beginning	\$ 9,992,551	\$ 7,828,281	\$ 6,876,116	\$ 7,146,225	\$ 6,362,022
Total Pension Liability - ending	\$ 9,542,222	\$ 9,992,551	\$ 7,828,281	\$ 6,876,116	\$ 7,146,225

Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
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Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
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Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Changes of assumptions or other inputs.

Discount Rate	2.25%	1.93%	3.26%	3.64%	3.16%
Inflation Rate	0.00%	0.00%	0.00%	2.25%	2.25%

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

INCORPORATED VILLAGE OF MINEOLA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

MAY 31, 2022

	Special Revenue Funds		Special Grant	Total Non-Major Governmental Funds
	Library	Swimming Pool		
<b>ASSETS</b>				
Cash	\$ 200,470	\$ 257,289	\$ 988	\$ 458,747
Cash and Cash Equivalents				
Receivables				
Accounts Receivable	21	-0-	215	236
Due From Other Funds - General	-0-	-0-	-0-	-0-
Due From Other Funds - Trust and Agency	-0-	-0-	-0-	-0-
Due From Other Funds - Swimming Pool	-0-	-0-	-0-	-0-
Due From Other Funds - Library	-0-	-0-	-0-	-0-
Due From Other Governments	-0-	-0-	32,823	32,823
Total Receivables	21	-0-	33,038	33,059
Total Assets	200,491	257,289	34,026	491,806
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	11,793	134	27,875	39,802
Accrued Liabilities	10,336	-0-	-0-	10,336
Due to Employees' Retirement System	14,178	3,834	-0-	18,012
Due to Other Funds - General	18,914	4,938	6,151	30,003
Due to Other Funds - Water	-0-	-0-	-0-	-0-
Unearned Revenues	-0-	21,070	-0-	21,070
Total Liabilities	55,221	29,976	34,026	119,223
Fund Balances				
Assigned:				
Special Grant	-0-	-0-	-0-	-0-
Library	145,270	-0-	-0-	145,270
Swimming Pool	-0-	227,313	-0-	227,313
Unassigned	-0-	-0-	-0-	-0-
Total Fund Balances	145,270	227,313	-0-	372,583
Total Liabilities and Fund Balances	200,491	257,289	34,026	491,806

See Paragraph on Supplementary Information Included in Independent Auditor's Report



INCORPORATED VILLAGE OF MINEOLA

COMBINED SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED MAY 31, 2022

	<u>Special Revenue Funds</u>			<u>Total Non-Major Governmental Funds</u>
	<u>Library</u>	<u>Swimming Pool</u>	<u>Special Grant</u>	
<u>REVENUES</u>				
Departmental Income	\$ 8,943	\$ 61,083	\$ 2,843	\$ 72,869
Use of Money and Property	-0-	-0-	-0-	-0-
Sale of Property and Compensation for Loss	546	-0-	-0-	546
Miscellaneous	56,292	20	-0-	56,312
State Aid	5,429	-0-	-0-	5,429
Federal Aid	-0-	-0-	316,215	316,215
<u>Total Revenues</u>	<u>\$ 71,310</u>	<u>\$ 61,103</u>	<u>\$ 319,058</u>	<u>\$ 451,471</u>
<u>EXPENDITURES</u>				
General Government Support	\$ -0-	\$ 1,395	\$ -0-	\$ 1,395
Public Safety	-0-	-0-	-0-	-0-
Culture and Recreation	1,411,205	592,707	-0-	2,003,912
Home and Community Services	-0-	-0-	319,058	319,058
Employee Benefits	476,758	62,447	-0-	539,205
Debt Service - Principal	-0-	-0-	-0-	-0-
Debt Service - Interest	-0-	-0-	-0-	-0-
<u>Total Expenditures</u>	<u>\$ 1,887,963</u>	<u>\$ 656,549</u>	<u>\$ 319,058</u>	<u>\$ 2,863,570</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,816,653)</u>	<u>\$ (595,446)</u>	<u>\$ -0-</u>	<u>\$ (2,412,099)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 1,800,041	\$ 584,334	\$ -0-	\$ 2,384,375
Transfers Out	-0-	-0-	-0-	-0-
<u>Total Other Financing Sources and (Uses)</u>	<u>\$ 1,800,041</u>	<u>\$ 584,334</u>	<u>\$ -0-</u>	<u>\$ 2,384,375</u>
<u>Net Change in Fund Balances</u>	<u>\$ (16,612)</u>	<u>\$ (11,112)</u>	<u>\$ -0-</u>	<u>\$ (27,724)</u>
<u>Fund Balances - June 1, 2021</u>	<u>\$ 161,882</u>	<u>\$ 238,425</u>	<u>\$ -0-</u>	<u>\$ 400,307</u>
<u>Fund Balances - May 31, 2022</u>	<u>\$ 145,270</u>	<u>\$ 227,313</u>	<u>\$ -0-</u>	<u>\$ 372,583</u>

See Paragraph on Supplementary Information Included in Independent Auditor's Report

INCORPORATED VILLAGE OF MINNEOLA

SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES - CAPITAL PROJECTS FUND

FOR THE YEAR ENDED MAY 31, 2022

PROJECT	Adjusted Budget	Revenues		Expenditures		May 31, 2022 Fund Balance (Deficit)
		Prior Year	Current Year	Prior Year	Current Year	
Water Facility Improvements- Well #7	\$ 4,000,000	\$ 4,000,000	\$ -0-	\$ 3,074,619	\$ 438,189	\$ 487,152
Sanitary Sewer Improvements	3,056,000	3,056,000	-0-	2,121,225	666,536	268,239
New Fire Headquarters	19,000,000	19,000,000	-0-	1,418,193	5,004,831	12,576,976
New Administration Building	4,000,000	4,000,000	-0-	2,558,994	1,441,006	-0-
Water Facility Improvements- Well #4	6,574,573	-0-	6,574,573	-0-	291,601	6,282,972
Total	\$ 36,630,573	\$ 30,056,000	\$ 6,574,573	\$ 9,173,031	\$ 7,842,163	\$ 19,515,379

See Paragraph on Supplementary Information Included in Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Board of Trustees of the  
Incorporated Village of Mineola  
155 Washington Avenue  
Mineola, New York 11501

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Mineola, Mineola, New York (the "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, and have issued our report thereon dated October 24, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
RYNKAR, VAIL & BARRETT, LLP

Mineola, New York  
October 24, 2022