



**Incorporated Village of  
Greenport, New York**

Financial Report

May 31, 2017

# Incorporated Village of Greenport, New York

## Financial Report

May 31, 2017

### CONTENTS

	<b>Page</b>
<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-10
<b>Basic Financial Statements</b>	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
Statement of Net Position - Proprietary Funds	17
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Net Position - Fiduciary Fund	20
Notes to Financial Statements	21-51
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	52
Schedule of Funding Progress - Other Postemployment Benefits	53
Schedule of Proportionate Share of Net Pension Liability	54
Schedule of Pension Contributions	55



## Independent Auditor's Report

Mayor and Board of Trustees  
Incorporated Village of Greenport, New York  
Greenport, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the fiduciary fund of the Incorporated Village of Greenport, New York (Village) as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the fiduciary fund of the Village as of May 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matters**

*Adoption of New Accounting Standards*

We draw attention to Note 1.q. to the financial statements which discloses the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, Paragraph 115. Our opinion is not modified with respect to this matter.

*Correction of Error*

We draw attention to Note 1.q. to the financial statements which discloses that the governmental activities' net position and the fund balance of the general fund have been restated to correct an error. Our opinion is not modified with respect to this matter.

**Other Matter**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017, 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 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 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.

BST & CO. CPAs, LLP

Albany, New York  
November 15, 2017



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

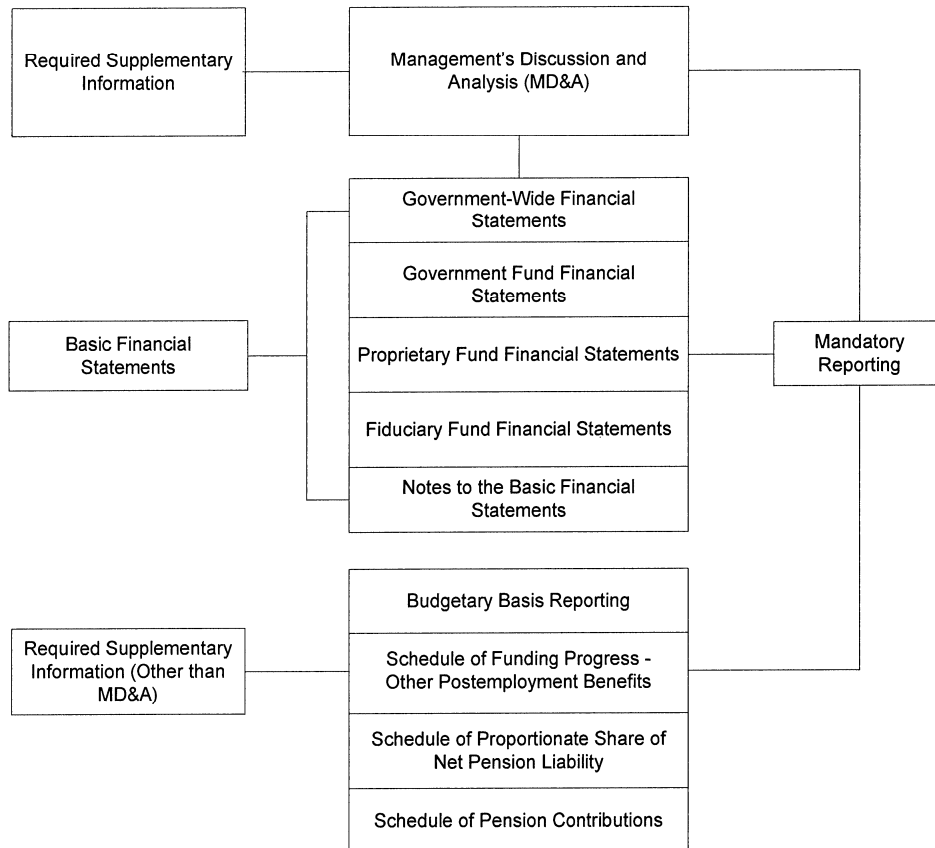
As management of the Village of Greenport, New York (Village), we offer the readers of the Village's financial statements this narrative overview and analysis as of May 31, 2017. We encourage readers to consider the information presented here in conjunction with our financial statements, which can be found on pages 11 through 51 and our supplementary information which can be found on pages 52 and 55 of this report.

### Financial Highlights

- The assets of the Village exceeded liabilities on May 31, 2017 by \$22,574,784, representing net position. Of this amount, \$19,013,193 represents the Village's net investment in capital assets (capital assets, less long-term liabilities used to acquire capital assets), and \$4,453,457 is restricted for future capital improvements and debt service. The remaining amount, which represents an unrestricted deficit of net position, is \$891,866.
- At May 31, 2017, the Village's governmental funds reported a combined ending fund balance of \$4,770,312. Of this amount, \$4,271,725 of the fund balance was nonspendable, restricted, or assigned for specific purposes. The remaining amount, which represents unassigned fund balance, is \$498,587.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's financial statements. The Village's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The following diagram illustrates the minimum financial reporting requirements of the Village under accounting principles generally accepted in the United States of America (U.S. GAAP):



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to private sector business.

The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two 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 Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government support, public safety, health, highways and streets, economic development, culture and recreation, and home and community services. The business-type activities of the Village include electric, water, and sewer services.

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

#### Fund Financial Statements - Continued

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Housing Authority, and Community Development, all of which are considered to be major funds. The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund that demonstrates compliance with this budget.

The governmental fund financial statements can be found on pages 13 through 16 of this report.

**Proprietary funds.** The Village maintains proprietary funds to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer operations, all of which are considered to be major funds of the Village.

The proprietary fund financial statements can be found on pages 17 through 19 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties other than the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village-owned programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found on page 20 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 51 of this report.

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$22,574,784 at May 31, 2017.

By far, the largest portion, \$19,013,193, of the Village's net position (84%) reflects its investment in capital assets (i.e., land, buildings, infrastructure, vehicles, and machinery and equipment) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

### Government-Wide Financial Analysis - Continued

### Condensed Statements of Net Position

The Village experienced an increase in net position during 2017 totaling \$268,319.

**Table 1 - Net Position as of May 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016 Restated	2017	2016	2017	2016 Restated
<b>ASSETS</b>						
Cash and equivalents	\$ 1,887,444	\$ 2,210,525	\$ 2,906,131	\$ 2,944,263	\$ 4,793,575	\$ 5,154,788
Cash and cash equivalents, restricted	1,275,266	1,393,220	3,305,672	3,598,018	4,580,938	4,991,238
Investments, restricted	2,517,330	2,278,591	-	-	2,517,330	2,278,591
Receivables, net of uncollectibles	195,422	197,610	617,113	663,979	812,535	861,589
Inventories	-	-	203,221	185,497	203,221	185,497
Prepaid expenses	100,157	95,259	49,089	37,843	149,246	133,102
Due from fiduciary funds	36,092	-	-	-	36,092	-
Internal balances	(84,850)	(50,343)	84,850	50,343	-	-
Total non-capital assets	5,926,861	6,124,862	7,166,076	7,479,943	13,092,937	13,604,805
Capital assets, net	10,498,116	10,084,836	15,724,804	15,202,604	26,222,920	25,287,440
Total assets	16,424,977	16,209,698	22,890,880	22,682,547	39,315,857	38,892,245
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension deferrals	184,510	429,942	225,512	528,331	410,022	958,273
Total assets and deferred outflows of resources	16,609,487	16,639,640	23,116,392	23,210,878	39,725,879	39,850,518
<b>LIABILITIES</b>						
Accounts payable and other current liabilities	228,919	218,432	405,344	369,065	634,263	587,497
Unearned revenues	910,805	878,859	-	100	910,805	878,959
Due to NYS retirement system	20,131	17,926	24,603	24,755	44,734	42,681
Due to fiduciary fund	5,695	964	-	1,186	5,695	2,150
Customer deposits	-	-	127,481	120,884	127,481	120,884
Long-term liabilities						
Due within one year	455,416	448,500	306,200	295,700	761,616	744,200
Due in more than one year						
Bonds payable	1,894,000	2,342,500	3,076,500	3,323,500	4,970,500	5,666,000
State loan payable	-	-	1,536,811	1,596,011	1,536,811	1,596,011
Compensated absences	62,246	64,239	105,134	92,453	167,380	156,692
Net pension liability	281,885	472,033	344,525	576,929	626,410	1,048,962
Length of service award program obligations	3,539,278	3,296,292	-	-	3,539,278	3,296,292
Other postemployment liability	1,423,490	1,250,261	2,286,738	2,008,458	3,710,228	3,258,719
Total liabilities	8,821,865	8,990,006	8,213,336	8,409,041	17,035,201	17,399,047
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension deferrals	52,152	65,253	63,742	79,753	115,894	145,006
Total liabilities and deferred inflows of resources	8,874,017	9,055,259	8,277,078	8,488,794	17,151,095	17,544,053
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	8,148,700	7,293,836	10,864,493	9,987,393	19,013,193	17,281,229
Restricted for						
Capital improvements	411,510	448,970	3,178,191	3,477,134	3,589,701	3,926,104
Debt service	863,756	944,250	-	-	863,756	944,250
Unrestricted (deficit)	(1,688,496)	(1,102,675)	796,630	1,257,557	(891,866)	154,882
Total net position	\$ 7,735,470	\$ 7,584,381	\$ 14,839,314	\$ 14,722,084	\$ 22,574,784	\$ 22,306,465



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

### Government-Wide Financial Analysis - Continued

**Governmental activities.** Governmental activities increased the Village's net position by \$151,089. The following chart shows the revenues and expenses of the various governmental activities:

**Table 2 - Changes in Net Position for the Fiscal Years Ended May 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 2,954,034	\$ 2,941,922	\$ 5,182,036	\$ 5,223,695	\$ 8,136,070	\$ 8,165,617
Operating grants and contributions	1,090,296	1,116,476	-	-	1,090,296	1,116,476
Capital grants and contributions	6,323	-	-	-	6,323	-
General revenues						
Real property tax and related tax items	1,053,591	1,098,607	-	-	1,053,591	1,098,607
Non-property taxes	-	-	26,984	45,502	26,984	45,502
Other general revenue items	206,250	547,328	3,849	6,816	210,099	554,144
Interest earnings	235,975	3,042	7,774	5,781	243,749	8,823
Total revenues	<u>5,546,469</u>	<u>5,707,375</u>	<u>5,220,643</u>	<u>5,281,794</u>	<u>10,767,112</u>	<u>10,989,169</u>
<b>EXPENSES</b>						
Public safety	1,028,999	737,289	-	-	1,028,999	737,289
Health	11,832	151,403	-	-	11,832	151,403
Transportation	1,246,543	1,131,477	-	-	1,246,543	1,131,477
Economic opportunity and development	42,771	43,195	-	-	42,771	43,195
Culture and recreation	1,311,824	1,418,430	-	-	1,311,824	1,418,430
Home and community service	1,137,686	1,145,177	-	-	1,137,686	1,145,177
General government support	734,325	696,748	-	-	734,325	696,748
Electric	-	-	3,075,106	3,036,435	3,075,106	3,036,435
Water	-	-	444,811	410,442	444,811	410,442
Sewer	-	-	1,464,896	1,480,368	1,464,896	1,480,368
Total expenses	<u>5,513,980</u>	<u>5,323,719</u>	<u>4,984,813</u>	<u>4,927,245</u>	<u>10,498,793</u>	<u>10,250,964</u>
<b>Increase (decrease) in net position before transfers</b>	<b>32,489</b>	<b>383,656</b>	<b>235,830</b>	<b>354,549</b>	<b>268,319</b>	<b>738,205</b>
Capital contributions	30,600	30,600	(30,600)	(30,600)	-	-
Transfers	88,000	88,000	(88,000)	(88,000)	-	-
<b>CHANGES IN NET POSITION</b>	<b><u>151,089</u></b>	<b><u>502,256</u></b>	<b><u>117,230</u></b>	<b><u>235,949</u></b>	<b><u>268,319</u></b>	<b><u>738,205</u></b>
<b>NET POSITION, beginning of year as previously stated</b>	7,584,381	8,171,103	14,722,084	14,486,135	22,306,465	22,657,238
Correction of misstatement	-	(71,277)	-	-	-	(71,277)
Effects of adoption of GASB 73	-	(1,017,701)	-	-	-	(1,017,701)
<b>NET POSITION, beginning of year as restated</b>	<u>7,584,381</u>	<u>7,082,125</u>	<u>14,722,084</u>	<u>14,486,135</u>	<u>22,306,465</u>	<u>21,568,260</u>
<b>NET POSITION, end of year</b>	<b><u>\$ 7,735,470</u></b>	<b><u>\$ 7,584,381</u></b>	<b><u>\$ 14,839,314</u></b>	<b><u>\$ 14,722,084</u></b>	<b><u>\$ 22,574,784</u></b>	<b><u>\$ 22,306,465</u></b>

For the most part, increases in expenses were the result of the Village's accounting for postemployment benefits in accordance with Governmental Accounting Standard Board Statement (GASB) No. 45 (GASB 45), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, and increases in public safety and transportation expenses. As a result of GASB 45 and GASB 68, the Village recorded an expense in governmental activities of \$173,229 and \$140,585, respectively, during the current fiscal year.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

#### Government-Wide Financial Analysis - Continued

**Business-type activities.** Business-type activities increased the Village's net position by \$117,230. Net position increased for the Electric Fund by \$324,349. Net position decreased in the Sewer and Water Funds by \$183,806 and \$23,313, respectively.

#### Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$4,770,312, a decrease of \$252,624 from the prior year, primarily caused by the use of existing resources to fund capital project expenditures. Out of the total fund balance, \$100,157 is in non-spendable form and, therefore, is not available for new spending, \$2,517,330 is restricted for future awards provided under the Village's length of service award program, and \$1,275,266 is restricted for future capital improvements. \$378,972 of the Village's total fund balance is assigned for specific purposes, including community development, Housing Authority activities, and capital projects. The remaining amount, which represents unassigned fund balances, is \$498,587.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$485,401, while total fund balance was \$4,378,154. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11% of total General Fund expenditures, while total fund balance represents 97% of that same amount. The overall fund balance of the Village's General Fund decreased by \$208,874 during the current fiscal year, primarily due to transfers to the capital projects fund.

The difference between the adopted General Fund budget and actual amounts for revenues and transfers-in was \$272,976. The primary driver of this increase was the use of money and property, as a result of the investment earnings of length of service awards program assets recorded within the General Fund as a result of the adoption of GASB No. 73. Various budget amendments during the year kept the Village's actual revenue in line with the budget. The difference between the adopted General Fund budget and actual amounts for expenditures and transfers was \$590,940. As previously discussed, the primary driver of this difference is due to investment earnings reported within the General Fund as a result of the adoption of GASB No. 73.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2017

### Overview of the Financial Statements - Continued

#### Capital Asset and Debt Administration

**Capital Assets.** The Village's investment in capital assets for its governmental and business-type activities as of May 31, 2017, amounts to \$26,222,920 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, and infrastructure assets, such as roads, streets, and electrical, sewer, and water systems.

**Table 3 - Capital Assets as of May 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,687,935	\$ 2,687,935	\$ 22,750	\$ 22,750	\$ 2,710,685	\$ 2,710,685
Buildings	4,744,054	4,708,252	1,617,130	1,617,130	6,361,184	6,325,382
Machinery and equipment	7,838,133	7,736,813	4,538,931	4,443,565	12,377,064	12,180,378
Infrastructure	7,055,689	6,671,952	-	-	7,055,689	6,671,952
Distribution, transmission, and other operational equipment	-	-	20,777,084	19,759,367	20,777,084	19,759,367
Vehicles	1,581,662	1,373,183	652,525	660,568	2,234,187	2,033,751
Total capital	23,907,473	23,178,135	27,608,420	26,503,380	51,515,893	49,681,515
Accumulated depreciation	(13,409,357)	(13,093,299)	(11,883,616)	(11,300,776)	(25,292,973)	(24,394,075)
<b>Total capital assets, net of depreciation</b>	<b>\$ 10,498,116</b>	<b>\$ 10,084,836</b>	<b>\$ 15,724,804</b>	<b>\$ 15,202,604</b>	<b>\$ 26,222,920</b>	<b>\$ 25,287,440</b>

Additional information on the Village's capital assets can be found in Note 1.k. on page 26 and Note 3 on pages 32 and 33 of this report.

#### Long-Term Debt

**Table 4 - Long-Term Debt as of May 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General Fund						
2012 Public Improvement Serial Bond	\$ 202,500	\$ 326,000	\$ -	\$ -	\$ 202,500	\$ 326,000
2014 Public Improvement Serial Bond	480,000	515,000	-	-	480,000	515,000
2012 Public Improvement Serial Bond	1,660,000	1,950,000	-	-	1,660,000	1,950,000
Sewer Fund						
2002 Public Improvement Serial Bond	-	-	246,000	301,000	246,000	301,000
2013 EFC Loan	-	-	1,596,011	1,655,211	1,596,011	1,655,211
Electric Fund						
2012 Public Improvement Serial Bond	-	-	352,500	469,000	352,500	469,000
2014 Public Improvement Serial Bond	-	-	2,725,000	2,790,000	2,725,000	2,790,000
<b>Totals</b>	<b>\$ 2,342,500</b>	<b>\$ 2,791,000</b>	<b>\$ 4,919,511</b>	<b>\$ 5,215,211</b>	<b>\$ 7,262,011</b>	<b>\$ 8,006,211</b>

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,666,000. This entire amount comprises debt backed by the full faith and credit of the Village. Additionally, the Village is obligated under a loan payable with the New York State Environmental Facilities Corporation, totaling \$1,596,011 as of May 31, 2017. The loan is non-interest bearing, and is for the construction of the Village's new Wastewater Treatment Facility.

# **Incorporated Village of Greenport, New York**

Management's Discussion and Analysis  
May 31, 2017

## **Overview of the Financial Statements - Continued**

### **Long-Term Debt - Continued**

The Village maintains an "Aa3" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average of the total assessed valuation. The current debt limitation for the Village is approximately \$31.8 million, which is significantly more than the Village's outstanding general obligation debt.

Additional information on the Village's long-term debt can be found in Note 5 on pages 34 and 35 of this report.

### **Economic Factors**

The Village is growing and thriving. The Village hosts tens of thousands of tourists who vacation on Long Island's East End every summer, to visit the world-renowned Vineyards. The Village operates one of the largest public marinas on the East End of Long Island, as well as a campground and ice rink for public enjoyment which helps to drive the North Fork tourism industry. The Village is also home to the only hospital on the North Fork of Long Island. The Village has added commercial and residential properties. In the past year, however, certain assessment claims netted against these additions, resulting in a slight increase of the overall value.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Village Treasurer, 236 Third Street, Greenport, New York 11944.

# Incorporated Village of Greenport, New York

## Statement of Net Position

	May 31, 2017		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,887,444	\$ 2,906,131	\$ 4,793,575
Cash and cash equivalents, restricted	1,275,266	3,305,672	4,580,938
Investments, restricted	2,517,330	-	2,517,330
Receivables, net	195,422	617,113	812,535
Inventories	-	203,221	203,221
Prepaid expenses	100,157	49,089	149,246
Due from fiduciary fund	36,092	-	36,092
Internal balances	(84,850)	84,850	-
Capital assets, net			
Non-depreciable	2,687,935	22,750	2,710,685
Depreciable	7,810,181	15,702,054	23,512,235
Total assets	16,424,977	22,890,880	39,315,857
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	184,510	225,512	410,022
Total assets and deferred outflows of resources	16,609,487	23,116,392	39,725,879
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	228,919	405,344	634,263
Unearned revenues	910,805	-	910,805
Due to NYS retirement system	20,131	24,603	44,734
Due to fiduciary fund	5,695	-	5,695
Customer deposits	-	127,481	127,481
Long-term liabilities			
Due within one year	455,416	316,700	772,116
Due in more than one year			
Bonds payable	1,894,000	3,076,500	4,970,500
State loan payable	-	1,536,811	1,536,811
Compensated absences	62,246	94,634	156,880
Net pension liability	281,885	344,525	626,410
Length of service award program obligations	3,539,278	-	3,539,278
Other postemployment benefits	1,423,490	2,286,738	3,710,228
Total liabilities	8,821,865	8,213,336	17,035,201
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	52,152	63,742	115,894
Total liabilities and deferred inflows of resources	8,874,017	8,277,078	17,151,095
<b>NET POSITION</b>			
Net investment in capital assets	8,148,700	10,864,493	19,013,193
Restricted for			
Capital improvements	411,510	3,178,191	3,589,701
Debt service	863,756	-	863,756
Unrestricted (deficit)	(1,688,496)	796,630	(891,866)
<b>Total net position</b>	<b>\$ 7,735,470</b>	<b>\$ 14,839,314</b>	<b>\$ 22,574,784</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Activities

Year Ended May 31, 2017

Functions/Programs	Program Revenue				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Public safety	\$ 1,028,999	\$ 696,080	\$ -	\$ -	\$ (332,919)	\$ -	\$ (332,919)
Health	11,832	-	-	-	(11,832)	-	(11,832)
Transportation	1,246,543	-	-	-	(1,246,543)	-	(1,246,543)
Economic opportunity and development	42,771	-	-	-	(42,771)	-	(42,771)
Culture and recreation	1,311,824	1,162,918	-	-	(148,906)	-	(148,906)
Home and community service	1,137,686	-	908,697	-	(228,989)	-	(228,989)
General government support	677,643	1,095,036	181,599	6,323	605,315	-	605,315
Interest on long-term debt	56,682	-	-	-	(56,682)	-	(56,682)
Total governmental activities	<u>5,513,980</u>	<u>2,954,034</u>	<u>1,090,296</u>	<u>6,323</u>	<u>(1,463,327)</u>	<u>-</u>	<u>(1,463,327)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Electric	3,075,106	3,486,122	-	-	-	411,016	411,016
Water	444,811	426,427	-	-	-	(18,384)	(18,384)
Sewer	1,464,896	1,269,487	-	-	-	(195,409)	(195,409)
Total business-type activities	<u>4,984,813</u>	<u>5,182,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,223</u>	<u>197,223</u>
<b>Total government</b>	<u><b>\$ 10,498,793</b></u>	<u><b>\$ 8,136,070</b></u>	<u><b>\$ 1,090,296</b></u>	<u><b>\$ 6,323</b></u>	<u><b>(1,463,327)</b></u>	<u><b>197,223</b></u>	<u><b>(1,266,104)</b></u>
<b>GENERAL REVENUES</b>							
Real property tax and related tax items					1,053,591	-	1,053,591
Non-property taxes					-	26,984	26,984
Other general revenue items					206,250	3,849	210,099
Investment and deposit earnings					235,975	7,774	243,749
Total general revenues					<u>1,495,816</u>	<u>38,607</u>	<u>1,534,423</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>							
Capital contribution from business-type activities to governmental activities					30,600	(30,600)	-
Transfer from business-type to governmental activities					88,000	(88,000)	-
Total general revenues, transfers, and capital contributions					<u>1,614,416</u>	<u>(79,993)</u>	<u>1,534,423</u>
<b>CHANGE IN NET POSITION</b>					<b>151,089</b>	<b>117,230</b>	<b>268,319</b>
<b>NET POSITION, beginning of year as restated</b>					<u>7,584,381</u>	<u>14,722,084</u>	<u>22,306,465</u>
<b>NET POSITION, end of year</b>					<u><b>\$ 7,735,470</b></u>	<u><b>\$ 14,839,314</b></u>	<u><b>\$ 22,574,784</b></u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Balance Sheet - Governmental Funds

	May 31, 2017			March 31, 2017	Eliminations	Total
	General	Community Development	Capital Projects	Housing Authority		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,442,071	\$ 297,098	\$ 141,503	\$ 6,772	\$ -	\$ 1,887,444
Cash and cash equivalents, restricted	1,275,266	-	-	-	-	1,275,266
Investments, restricted	2,517,330	-	-	-	-	2,517,330
Accounts receivable	185,916	3,092	-	6,414	-	195,422
Due from other funds	-	1,729	-	-	(1,729)	-
Due from fiduciary fund	36,092	-	-	-	-	36,092
Prepaid expenditures	100,157	-	-	-	-	100,157
	<b><u>\$ 5,556,832</u></b>	<b><u>\$ 301,919</u></b>	<b><u>\$ 141,503</u></b>	<b><u>\$ 13,186</u></b>	<b><u>\$ (1,729)</u></b>	<b><u>\$ 6,011,711</u></b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 155,468	\$ 1,182	\$ 63,268	\$ -	\$ -	\$ 219,918
Due to NYS Retirement System	20,131	-	-	-	-	20,131
Due to fiduciary fund	5,695	-	-	-	-	5,695
Due to other funds	86,579	-	-	-	(1,729)	84,850
Unearned revenue	910,805	-	-	-	-	910,805
	<b><u>1,178,678</u></b>	<b><u>1,182</u></b>	<b><u>63,268</u></b>	<b><u>-</u></b>	<b><u>(1,729)</u></b>	<b><u>1,241,399</u></b>
<b>FUND BALANCES</b>						
Nonspendable	100,157	-	-	-	-	100,157
Restricted	3,792,596	-	-	-	-	3,792,596
Assigned	-	300,737	78,235	-	-	378,972
Unassigned	485,401	-	-	13,186	-	498,587
Total fund balances	<b><u>4,378,154</u></b>	<b><u>300,737</u></b>	<b><u>78,235</u></b>	<b><u>13,186</u></b>	<b><u>-</u></b>	<b><u>4,770,312</u></b>
	<b><u>\$ 5,556,832</u></b>	<b><u>\$ 301,919</u></b>	<b><u>\$ 141,503</u></b>	<b><u>\$ 13,186</u></b>	<b><u>\$ (1,729)</u></b>	<b><u>\$ 6,011,711</u></b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

	<u>May 31, 2017</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 4,770,312
This amount differs from the amount of net position shown in the statement of net position due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	10,498,116
Deferred outflows and inflows for pensions are included in the government-wide statements and are added.	
Deferred outflows - pension resources	184,510
Deferred inflows - pension resources	(52,152)
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(2,342,500)
Net pension liability	(281,885)
Compensated absences	(69,162)
Accrued interest	(9,001)
Length of service award program obligations	(3,539,278)
Other postemployment benefits	(1,423,490)
	<hr/>
<b>Total net position, end of year</b>	<b><u>\$ 7,735,470</u></b>



# Incorporated Village of Greenport, New York

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended May 31, 2017			Year Ended March 31, 2017	Total
	General	Community Development	Capital Projects	Housing Authority	
<b>REVENUES</b>					
Real property taxes	\$ 1,042,253	\$ -	\$ -	\$ -	\$ 1,042,253
Real property tax items	11,338	-	-	-	11,338
Departmental revenues	1,254,525	106,923	-	-	1,361,448
Intergovernmental charges	696,080	-	-	-	696,080
Rental of real property	896,506	-	-	-	896,506
Use of money and property	235,778	141	53	3	235,975
Licenses and permits	46,108	-	-	-	46,108
Miscellaneous local sources	44,724	750	16	12,376	57,866
Other revenues	102,276	-	-	-	102,276
State aid	181,599	-	6,323	-	187,922
Federal aid	-	-	-	908,697	908,697
Total revenues	<u>4,511,187</u>	<u>107,814</u>	<u>6,392</u>	<u>921,076</u>	<u>5,546,469</u>
<b>EXPENDITURES</b>					
General government support	489,553	-	-	-	489,553
Public safety	1,111,573	-	-	-	1,111,573
Health	6,906	-	-	-	6,906
Transportation	702,832	-	362,790	-	1,065,622
Economic opportunity and development	-	42,771	-	-	42,771
Culture and recreation	895,085	-	62,904	-	957,989
Home and community services	167,390	-	8,672	898,398	1,074,460
Employee benefits	622,601	-	-	35,782	658,383
Debt service					
Principal	448,500	-	-	-	448,500
Interest	61,933	-	-	-	61,933
Total expenditures	<u>4,506,373</u>	<u>42,771</u>	<u>434,366</u>	<u>934,180</u>	<u>5,917,690</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,814</u>	<u>65,043</u>	<u>(427,974)</u>	<u>(13,104)</u>	<u>(371,221)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	118,600	-	332,288	50,223	501,111
Operating transfers out	(332,288)	(50,223)	-	-	(382,511)
	<u>(213,688)</u>	<u>(50,223)</u>	<u>332,288</u>	<u>50,223</u>	<u>118,600</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>(208,874)</u>	<u>14,820</u>	<u>(95,686)</u>	<u>37,119</u>	<u>(252,621)</u>
<b>FUND BALANCES, beginning of year, as restated</b>	<u>4,587,028</u>	<u>285,917</u>	<u>173,921</u>	<u>(23,933)</u>	<u>5,022,933</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 4,378,154</u>	<u>\$ 300,737</u>	<u>\$ 78,235</u>	<u>\$ 13,186</u>	<u>\$ 4,770,312</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

		<u>Year Ended May 31, 2017</u>
Net change in fund balances shown for total governmental funds		\$ (252,621)
<p>This amount differs from the change in net position shown in the statement of activities because of the following:</p>		
<p>Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for acquisition of capital assets exceeded depreciation expense for the period.</p>		
Capital expenditures	942,408	
Depreciation expense	<u>(529,128)</u>	413,280
<p>Net pension liability and related deferred outflows and inflows of pension resources is not reported in the governmental funds. This liability and the corresponding deferred amounts are reported in the statement of net position as a noncurrent liability and deferred resources and as an expense in the statement of activities.</p>		
		(405,560)
<p>Bond principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities, and not shown as expenses in the statement of activities. This is the payment amount for the current year.</p>		
		448,500
<p>Net pension liability is not reported in the governmental funds. This liability is shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.</p>		
		190,148
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds; this is the amount by which the current period expenditures exceed the costs allocated over the applicable periods.</p>		
Accrued interest	5,251	
Length of service award program obligations	(242,986)	
Compensated absence	<u>(4,923)</u>	<u>(242,658)</u>
<b>Change in net position of governmental activities shown in the statement of activities</b>		<b><u>\$ 151,089</u></b>

# Incorporated Village of Greenport, New York

## Statement of Net Position - Proprietary Funds

	May 31, 2017				
	Electric Fund	Water Fund	Sewer Fund	Eliminations	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 543,664	\$ 773,133	\$ 1,589,334	\$ -	\$ 2,906,131
Cash and cash equivalents, restricted	3,119,820	-	185,852	-	3,305,672
Accounts receivable, net	370,710	78,764	167,639	-	617,113
Due from other funds	-	118,578	62,165	(95,893)	84,850
Inventory	118,359	72,081	12,781	-	203,221
Prepaid expenses	20,812	13,368	14,909	-	49,089
Total current assets	<u>4,173,365</u>	<u>1,055,924</u>	<u>2,032,680</u>	<u>(95,893)</u>	<u>7,166,076</u>
Non-depreciable capital assets	500	-	22,250	-	22,750
Depreciable capital assets	<u>6,423,409</u>	<u>729,518</u>	<u>8,549,127</u>	<u>-</u>	<u>15,702,054</u>
Total assets	<u>10,597,274</u>	<u>1,785,442</u>	<u>10,604,057</u>	<u>(95,893)</u>	<u>22,890,880</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	<u>143,508</u>	<u>20,501</u>	<u>61,503</u>	<u>-</u>	<u>225,512</u>
Total assets and deferred outflows of resources	<u>10,740,782</u>	<u>1,805,943</u>	<u>10,665,560</u>	<u>(95,893)</u>	<u>23,116,392</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	247,473	35,968	66,365	-	349,806
Accrued expenses	40,148	2,182	13,208	-	55,538
Accrued compensated absences	49,374	13,179	42,581	-	105,134
Customer deposits	127,481	-	-	-	127,481
Due to other funds	74,232	7,045	14,616	(95,893)	-
Due to NYS Retirement System	15,657	2,236	6,710	-	24,603
State loan payable, due in one year	-	-	59,200	-	59,200
Bonds payable, due in one year	190,000	-	57,000	-	247,000
Total current liabilities	<u>744,365</u>	<u>60,610</u>	<u>259,680</u>	<u>(95,893)</u>	<u>968,762</u>
Noncurrent liabilities					
State loan payable	-	-	1,536,811	-	1,536,811
Net pension liability	219,244	31,320	93,961	-	344,525
Bonds payable	2,887,500	-	189,000	-	3,076,500
Other postemployment benefits	1,236,743	222,614	827,381	-	2,286,738
Total noncurrent liabilities	<u>4,343,487</u>	<u>253,934</u>	<u>2,647,153</u>	<u>-</u>	<u>7,244,574</u>
Total liabilities	<u>5,087,852</u>	<u>314,544</u>	<u>2,906,833</u>	<u>(95,893)</u>	<u>8,213,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	<u>40,563</u>	<u>5,795</u>	<u>17,384</u>	<u>-</u>	<u>63,742</u>
Total liabilities and deferred inflows of resources	<u>5,128,415</u>	<u>320,339</u>	<u>2,924,217</u>	<u>(95,893)</u>	<u>8,277,078</u>
<b>NET POSITION</b>					
Net investment in capital assets	3,346,409	729,518	6,788,566	-	10,864,493
Restricted					
Capital improvements	2,992,339	-	185,852	-	3,178,191
Unrestricted	<u>(726,381)</u>	<u>756,086</u>	<u>766,925</u>	<u>-</u>	<u>796,630</u>
Total net position	<u>\$ 5,612,367</u>	<u>\$ 1,485,604</u>	<u>\$ 7,741,343</u>	<u>\$ -</u>	<u>\$ 14,839,314</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

	Year Ended May 31, 2017			Total
	Electric Fund	Water Fund	Sewer Fund	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,486,122	\$ 426,427	\$ 1,269,487	\$ 5,182,036
<b>OPERATING EXPENSES</b>				
Personal services	558,391	94,896	409,562	1,062,849
Employee benefits	412,015	108,832	395,030	915,877
Contractual expenses				
Administration and other government support	166,029	3,597	10,978	180,604
Insurance	59,653	8,989	15,936	84,578
Services, supplies, and operations	1,496,678	208,749	294,852	2,000,279
Bad debt expense	15,339	-	-	15,339
Depreciation	253,671	19,748	324,725	598,144
Total operating expenses	2,961,776	444,811	1,451,083	4,857,670
<b>Operating income (loss)</b>	<b>524,346</b>	<b>(18,384)</b>	<b>(181,596)</b>	<b>324,366</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	1,333	3,567	2,874	7,774
Other revenue	-	3,744	105	3,849
Sales tax revenues	-	-	26,984	26,984
Interest expense	(113,330)	-	(13,813)	(127,143)
Total nonoperating revenues (expenses)	(111,997)	7,311	16,150	(88,536)
<b>Income (loss) before transfers and     and capital contributions</b>	<b>412,349</b>	<b>(11,073)</b>	<b>(165,446)</b>	<b>235,830</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Operating transfers out	(88,000)	-	-	(88,000)
Capital contribution to governmental funds	-	(12,240)	(18,360)	(30,600)
	(88,000)	(12,240)	(18,360)	(118,600)
<b>CHANGE IN NET POSITION</b>	<b>324,349</b>	<b>(23,313)</b>	<b>(183,806)</b>	<b>117,230</b>
<b>NET POSITION, <i>beginning of year</i></b>	<b>5,288,018</b>	<b>1,508,917</b>	<b>7,925,149</b>	<b>14,722,084</b>
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 5,612,367</b>	<b>\$ 1,485,604</b>	<b>\$ 7,741,343</b>	<b>\$ 14,839,314</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Cash Flows - Proprietary Funds

	Year Ended May 31, 2017			
	Electric Fund	Water Fund	Sewer Fund	Total
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Cash received from providing services	\$ 3,513,586	\$ 430,838	\$ 1,284,478	\$ 5,228,902
Cash payments for contractual expenses	(1,728,618)	(214,681)	(367,398)	(2,310,697)
Cash payments for personal services and benefits	(777,480)	(169,867)	(682,916)	(1,630,263)
	<u>1,007,488</u>	<u>46,290</u>	<u>234,164</u>	<u>1,287,942</u>
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Other activities	6,597	3,744	105	10,446
Sales tax revenues	-	-	26,984	26,984
Transfers to governmental activities	(88,000)	(12,240)	(18,360)	(118,600)
	<u>(81,403)</u>	<u>(8,496)</u>	<u>8,729</u>	<u>(81,170)</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on bonds	(181,500)	-	(55,000)	(236,500)
Principal payments on loans	-	-	(59,200)	(59,200)
Interest expense	(114,371)	-	(14,609)	(128,980)
Acquisition of capital assets	(1,020,463)	(13,097)	(86,784)	(1,120,344)
	<u>(1,316,334)</u>	<u>(13,097)</u>	<u>(215,593)</u>	<u>(1,545,024)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>				
Interest income	1,333	3,567	2,874	7,774
	<u>1,333</u>	<u>3,567</u>	<u>2,874</u>	<u>7,774</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(388,916)</b>	<b>28,264</b>	<b>30,174</b>	<b>(330,478)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>4,052,400</b>	<b>744,869</b>	<b>1,745,012</b>	<b>6,542,281</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 3,663,484</b>	<b>\$ 773,133</b>	<b>\$ 1,775,186</b>	<b>\$ 6,211,803</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 524,346	\$ (18,384)	\$ (181,596)	\$ 324,366
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	253,671	19,748	324,725	598,144
Bad debt expense	15,339	-	-	15,339
Change in assets and liabilities				
Prepaid expenses	(2,544)	(8,663)	(39)	(11,246)
Accounts receivable	12,125	4,411	14,991	31,527
Inventory	(6,038)	1,095	(12,781)	(17,724)
Due from other funds	-	(3,965)	(27,585)	(31,550)
Deferred outflows of resources	190,607	27,840	84,372	302,819
Accounts payable and accrued expenses	36,213	13,071	1,413	50,697
Due to other funds	(10,651)	6,954	(446)	(4,143)
Net pension liability	(147,893)	(21,128)	(63,383)	(232,404)
Deferred inflows of resources	(10,189)	(1,455)	(4,367)	(16,011)
Other postemployment benefits	150,503	27,091	100,686	278,280
Due to New York State retirement system	1,999	(325)	(1,826)	(152)
	<u>\$ 1,007,488</u>	<u>\$ 46,290</u>	<u>\$ 234,164</u>	<u>\$ 1,287,942</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Net Position - Fiduciary Fund

	<u>May 31, 2017</u>
	<u>Trust and Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,738,634
Due from other funds	5,695
	<u>\$ 1,744,329</u>
<b>LIABILITIES</b>	
Due to other funds	\$ 36,092
Agency liabilities	1,708,237
	<u>\$ 1,744,329</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The accompanying basic financial statements of the Incorporated Village of Greenport, New York (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing government accounting and financial reporting principles in the United States of America.

The basic financial statements have been prepared primarily from accounts maintained by the Village Treasurer.

The Village is governed by Village law and other general laws of the state of New York. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as Chief Executive Officer, and the Treasurer serves as Chief Fiscal Officer.

The basic services that the Village provides are general support, water, recreation, sewer, electric, public safety, health, transportation, economic assistance and opportunity; culture and recreation; and home and community services.

#### *a. Financial Reporting Entity*

The reporting entity consists of: (a) the primary government, the Village, and (b) other organizational entities determined to be includable in the Village's financial reporting entity, based on the nature and significance of their relationship with the Village. The financial reporting entity is based on criteria set forth by GASB. These criteria include legal standing, fiscal dependency, and financial accountability. Based upon the application of these criteria, the Village of Greenport Housing Authority (Housing Authority) has been included within the reporting entity as a Special Revenue Fund. The Village Board appoints the trustees of the Housing Authority and has full financial oversight of the operations of the Housing Authority.

#### *b. Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity within the governmental and business-type activities has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Village at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *b. Government-Wide and Fund Financial Statements - Continued*

Separate statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. The Village has decided to present all governmental and proprietary funds as major based on qualitative factors.

#### *c. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenue in the year in which they are earned. Grants, entitlements, and donations are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or collected within twelve months of the end of the current fiscal period. Receivables not expected to be collected within the next twelve months are offset by deferred inflows of resources. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 requires that expenditures and liabilities, such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies are recognized as expenditures when all requirements of the grant and/or subsidy have been satisfied.

In addition, New York Power Authority (NYPA) regulations require that the records for the Electric Fund be maintained in accordance with the *Uniform System of Accounts for Municipal Electric Utilities*. The financial statements of the Electric Fund are presented in a form prescribed by the Federal Energy Regulatory Commission (FERC) and NYPA. Operating revenues of the Electric Fund are determined based on customer usage and demand charged at base rates for each consumer class approved by NYPA. Purchased power costs incurred in excess of those costs included in the base rate calculation are passed on to the consumer at no profit or loss to the Electric Fund by means of a "Purchased Power Adjustment" (PPA) factor.

The Village reports the following governmental funds:

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

*Community Development Fund* - is used to account for community development block grants and supportive housing program funds received from the U.S. Department of Housing and Urban Development (HUD).



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued*

*Housing Authority* - is used to account for federal money received from HUD pursuant to Section 8 Programs, which enable low income families to obtain adequate housing.

*Capital Projects Fund* - is used to account for and report financial resources to be used for the acquisition, construction, and renovation of major capital facilities or equipment other than those financed by the Proprietary Funds.

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include differing measurement focuses and bases of accounting between the statements. The statement of activities reflects the net costs of each major function of Village operations, which differs from the presentation of expenditures in the statement of revenues, expenditures, and changes in fund balances - governmental funds, which closely matches the Village's budgetary presentation.

The following are the Village's proprietary funds:

*Water Fund* - is self-supporting through charges to customers based on water usage.

*Sewer Fund* - is self-supporting through charges to customers based on sewer usage.

*Electric Fund* - is self-supporting through charges to customers in the Village's franchise area based on electric usage. The Electric Fund is subject to regulation by NYPA with respect to wholesale power purchased, rate structure, accounting, and other matters.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Fiduciary Fund* - The Village maintains an agency fund which is generally used to account for assets that the Village holds on behalf of others as their agent.

#### *d. Estimates*

The preparation of the financial statements in conformity with U.S. GAAP and NYPA requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and other financing sources (uses) during the reporting period. Actual results could differ from those estimates.

#### *e. Budgets*

Budgets are adopted on the modified accrual basis as required by the State of New York. Annual appropriated budgets are adopted for each governmental and proprietary fund.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *e. Budgets - Continued*

The Village employs the following budgetary procedures:

- i. No later than March 20, the budget officer submits a tentative budget to the Village Clerk for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all operating funds for the Village.
- ii. After a public hearing is conducted to obtain taxpayer comments, but no later than May 1, the Village adopts the budget.
- iii. All revisions that alter appropriations of any department or fund must be approved by the Village Board. Unencumbered budgetary appropriations lapse at the close of each fiscal year, with the exception of capital projects.
- iv. Budgetary appropriations are established for individual capital projects through resolutions authorizing the corresponding Capital Projects Fund to be established which remain in effect for the life of the project.

#### *f. Cash and Cash Equivalents*

Cash and cash equivalents consist of cash and time deposits, which mature no more than three months after the date purchased.

The Village's investment policies are governed by State statutes and various resolutions of the Board of Trustees. Village monies must be maintained in demand accounts or certificates of deposit in the Federal Deposit Insurance Corporation (FDIC) insured commercial bank or trust company authorized to do business in New York State. Other permissible investments include obligations of the U.S. Treasury, U.S. Agencies, and New York State or its localities.

The Village is required to collateralize its cash deposits in excess of the Federal Deposit Insurance Corporation limit. This collateral is in the form of government and government agencies' securities pledged by the bank, under a third-party trust agreement. As of May 31, 2017, the collateral was sufficient to secure the Village's deposits.

Restricted cash and cash equivalents are reserved for purposes stipulated by external parties and purposes established by the Board.

Restricted cash and cash equivalents are held by the Electric Fund for (1) capital replacements (depreciation fund), (2) transmission congestion credits, (3) customer deposits, and (4) proceeds from a bond anticipation note.

Restricted cash and cash equivalents held by the Sewer Fund represent unspent proceeds from the issuance of loans payable to the New York State Environmental Facilities Corporation, used to help finance the construction of a new sewer plant.

Restricted cash and cash equivalents held by the General Fund represent (1) proceeds from the sale of property reserved for the payment of future debt, and (2) cash held for the replacement of certain fire equipment.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *g. Restricted Service Award Program Investments*

The Village's investments in the Length of Service Award Program (LOSAP) are held by RBC Wealth Management in a granter/rabbi trust account in the Village's name. These assets are primarily invested in cash and cash equivalents, U.S. and international equities, and fixed income securities.

The Village's LOSAP investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. None of the Village's investments are subject to concentration of credit risk.

#### *h. Short-Term Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and statement of net position.

#### *i. Accounts Receivable*

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts is as follows:

Electric Fund	<u>\$ 130,000</u>
Sewer Fund	<u>\$ 41,890</u>
Water Fund	<u>\$ 37,500</u>

Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than twenty days. Interest is charged on accounts receivable that are outstanding for more than twenty days at 1.50% per month and is recognized as it is charged.

#### *j. Inventory*

Inventory of the Electric Fund is valued at the lower of cost or market, with cost determined using a rolling average unit cost method. Inventory materials recovered and returned to stock in construction, maintenance, or the retirement of operating property are valued at current replacement prices. Inventory of the Sewer and Water Funds are stated at the lower of average cost or market. Inventory of the Electric, Sewer and Water Funds consists of components, parts, and tools held for consumption. Each year, the inventory is reviewed for obsolescence, and an adjustment is made to record the affected inventory item at its fair value. There were no obsolete inventory items identified in these funds as of May 31, 2017.

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *k. Capital Assets*

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the operating property.

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2017.

#### *Governmental Funds*

Capital assets in governmental activities consist of land, buildings, machinery and equipment, vehicles, and infrastructure and are used to carry out day-to-day government services. Depreciation of capital assets for governmental funds is computed using the straight-line method of depreciation over useful lives ranging from five to fifty years, but is not recorded as an expenditure in the related funds.

#### *Electric Fund*

Under the provisions of the *Uniform System of Accounts for Municipal Electric Utilities*, operating property is recorded at cost, including capitalized labor and overhead. Overhead costs include fringe benefits, warehouse, and truck costs. Operating property constructed with capital fees received from customers or other parties is included in utility plant. When operating property is retired, the book cost, together with the cost of removal, is charged to accumulated depreciation. The provision for depreciation has been computed, based on asset groups, under the straight-line method utilizing rates that vary from 2% to 10.5% per annum, which are within the ranges recommended by FERC and NYPA.

#### *Water and Sewer Funds*

Capital assets of the Water and Sewer Funds include property, plant, and equipment with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets of the Water and Sewer Funds is computed using the straight-line method of depreciation during the useful lives of the related assets, as the following schedule indicates:

Water Fund	
Machinery and equipment	5-15 years
Vehicles	5 years
Distribution, transmission, and other operational equipment	20-100 years
Sewer Fund	
Buildings	25-40 years
Machinery and equipment	10-25 years
Vehicles	5 years
Distribution, transmission, and other operational equipment	50-100 years

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *l. Deferred Outflows/Inflows of Resources*

Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of expense/expenditure until then. A deferred inflow of resources represents an acquisition of resources that applies to a future period and will not be recognized as revenue until that time.

Pension related deferred outflows of resources and deferred inflows of resources are disclosed in Note 9.

#### *m. Unearned Revenues*

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported \$282,264 for property tax payments received in advance, \$184,003 for unpaid Village taxes and charges for services, \$431,363 for fire protection services to other governments received in advance, and \$13,175 for building permit fees received in advance.

#### *n. Employee Benefits*

##### *Compensated Absences*

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation, or death, employees or their beneficiaries may be eligible to receive the value of unused accumulated sick leave.

The liability for compensated absences was as follows:

Governmental funds	\$ 69,162
Proprietary funds	105,134
	<hr/>
	\$ 174,296
	<hr/> <hr/>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *n. Employee Benefits - Continued*

##### *Postretirement Benefits*

Other postemployment benefits are measured and disclosed using the alternative measurement method under the accrual basis of accounting in the government-wide statements (Note 10). The Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective fund when paid. Retiree health insurance contributions are allocated and paid based on each fund's payroll as a percentage of total payroll.

##### *Net Pension Liability*

The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68) and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*.

##### *LOSAP Obligations*

The Village sponsors a separate LOSAP plan for volunteer firefighters. The plan is designed and administered in accordance with Article 11-A of the General Municipal Law of the State of New York. In accordance with these provisions, the grantor/rabbi trust accounts established to hold LOSAP assets are not legally protected from the Village's creditors. Accordingly, the Village's LOSAP plan is not within the scope of GASB No. 68. The Village's LOSAP obligations are actuarially determined using census data supplied by the Village and various assumptions in accordance with GASB Statement No. 27, *Accounting for Pensions for State and Local Employers*.

#### *o. Net Position*

Net position is reported as restricted when constraints placed on net position use are either:

- a. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments, or
- b. Imposed by law through constitutional provisions or enabling legislation.

The following terms are used in reporting net position:

*Net Investment in Capital Assets* consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted for Capital Improvements* consists of monies restricted for various capital purposes as outlined in footnote 1.f.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *o. Net Position - Continued*

*Restricted for Debt Service* consists of proceeds from the sale of property restricted for the payment of future debt.

*Unrestricted* is the net amount of assets and liabilities that is not included in the determination of net investment in capital assets or restricted components of net position described above.

#### *p. Fund Balance*

Fund balance for governmental funds is reported in the following classifications which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

*Restricted* - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

*Assigned* - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.

*Unassigned* - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Village's fund balance policy is set by the Village Board, the highest level of decision-making authority. The Village Board considers "formal action" for a committed fund balance to be the passing of a Board resolution. The Board has delegated the ability to assign fund balance to the Treasurer. The Village considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

Note 6 provides further details regarding the Village's fund balance classifications.

#### *q. Property Taxes*

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *r. New Accounting Pronouncements and Prior Period Restatement*

##### *New Accounting Pronouncements*

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB No. 72). GASB No. 72 defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information should be disclosed in the notes to the financial statements. The provisions of GASB No. 72 are effective for fiscal years beginning after June 15, 2015.

The Village has adopted the provisions of GASB No. 72 and incorporated the fair value measurement disclosures in Note 13.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB No. 73). The requirements of this statement extend the approach to accounting and financial reporting established in GASB No. 68, *Accounting and Financial Reporting for Pensions* (GASB no. 68) to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in GASB No. 68 should not be considered pension plan assets. It also requires that information similar to that required by GASB No. 68 be included in the notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities.

The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015.

The Village has adopted the requirements of GASB No. 73 that address financial reporting for assets accumulated for purposes of providing pension benefits to volunteer firefighters. In addition, the Village has recorded its LOSAP pension obligation in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

Prior to the adoption of GASB No. 73, the Village reported assets accumulated for LOSAP benefit plans in the Trust and Agency Fund. In accordance with New York State General Municipal Law, Articles 11-A, LOSAP assets are held in grantor/rabbi trusts, which are not protected from the Village's creditors. GASB No. 73 requires assets held in such trust agreements to be reported as assets of the sponsoring municipality.

GASB Statement No 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB No. 76). This statement identifies the hierarchy of U.S. GAAP in the context of governmental financial reporting. This statement reduces the hierarchy of U.S. GAAP to two categories of authoritative U.S. GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specific with a source of authoritative U.S. GAAP.



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *r. New Accounting Pronouncements and Prior Period Restatement - Continued*

##### *New Accounting Pronouncements - Continued*

GASB Statement No. 77, *Tax Abatement Disclosures* (GASB No. 77). GASB No. 77 requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by the government, other than to abate taxes, as part of the tax abatement agreement.

The Village does not have any tax abatement agreements.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (GASB No. 78). This statement amends the scope and applicability of GASB No. 68 to exclude pension plans provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that is:

- Not a state or local government pension plan,
- Used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governments, and
- Not used predominantly by a state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement enhances comparability of financial statements of governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. Adoption of this accounting standard did not significantly impact the Village's financial statements.

##### *Prior Period Restatement*

The financial statements of the Village as of May 31, 2016 contained an understatement of deferred revenue, resulting in an overstatement in net position of the Village's governmental activities.

As a result of the correction of the error and the adoption of GASB No. 73, the governmental activities have restated their opening fund balance and net position as follows:

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### Prior Period Restatement - Continued

	As Originally State	Adoption of GASB 73	Correction of Error	As Restated
<i>General Fund</i>				
Investments, restricted	\$ -	\$ 2,278,591	\$ -	\$ 2,278,591
Fund balance	2,379,714	2,278,591	(71,277)	4,587,028
<i>Governmental Activities</i>				
Investments, restricted	-	2,278,591	-	2,278,591
Length of service award program obligations	-	3,296,292	-	3,296,292
Net Position	8,673,359	(1,017,701)	(71,277)	7,584,381
<i>Fiduciary Fund</i>				
Investments	2,278,591	(2,278,591)	-	-
Length of service award program obligations	2,278,591	(2,278,591)	-	-

#### s. Subsequent Events

The Village has evaluated subsequent events for potential recognition or disclosure through November 15, 2017, the date the financial statements were available to be issued.

### Note 2 - Stewardship, Compliance, and Accountability

Village administration prepares a proposed budget for approval by the Board of Trustees for each governmental and proprietary fund. The budget is adopted annually on a basis consistent with U.S. GAAP. Appropriations are adopted at the program line item level. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year and any appropriated reserve funds. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

### Note 3 - Capital Assets

The following is a summary of changes in the governmental activities' capital assets during the year:

	Balance at June 1, 2016	Additions	Disposals	Balance at May 31, 2017
<i>Depreciable assets</i>				
Buildings	\$ 4,708,252	\$ 35,802	\$ -	\$ 4,744,054
Machinery and equipment	7,736,813	168,858	(67,538)	7,838,133
Infrastructure	6,671,952	383,737	-	7,055,689
Vehicles	1,373,183	354,011	(145,532)	1,581,662
	<u>20,490,200</u>	<u>942,408</u>	<u>(213,070)</u>	<u>21,219,538</u>
Accumulated depreciation	(13,093,299)	(529,128)	213,070	(13,409,357)
Total depreciable assets, net	<u>7,396,901</u>	<u>413,280</u>	<u>-</u>	<u>7,810,181</u>
<i>Non-depreciable assets</i>				
Land	<u>2,687,935</u>	<u>-</u>	<u>-</u>	<u>2,687,935</u>
Total capital assets, net	<u>\$ 10,084,836</u>	<u>\$ 413,280</u>	<u>\$ -</u>	<u>\$ 10,498,116</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 3 - Capital Assets - Continued

A summary of the proprietary funds' capital assets is as follows:

	Year Ended May 31, 2017			Total
	Electric Fund	Water Fund	Sewer Fund	
<i>Depreciable assets</i>				
Buildings	\$ 546,770	\$ -	\$ 1,070,360	\$ 1,617,130
Machinery and equipment	-	572,162	3,966,769	4,538,931
Vehicles	528,409	73,031	51,085	652,525
Distribution, transmission, and other operational equipment	10,773,600	830,262	9,173,222	20,777,084
	<u>11,848,779</u>	<u>1,475,455</u>	<u>14,261,436</u>	<u>27,585,670</u>
Accumulated depreciation	<u>(5,425,370)</u>	<u>(745,937)</u>	<u>(5,712,309)</u>	<u>(11,883,616)</u>
Total depreciable assets, net	<u>6,423,409</u>	<u>729,518</u>	<u>8,549,127</u>	<u>15,702,054</u>
<i>Non-depreciable assets</i>				
Land	<u>500</u>	<u>-</u>	<u>22,250</u>	<u>22,750</u>
Total capital assets, net	<u>\$ 6,423,909</u>	<u>\$ 729,518</u>	<u>\$ 8,571,377</u>	<u>\$ 15,724,804</u>

The following is a summary of changes in the proprietary funds' capital assets during the year:

	Balance at June 1, 2016	Additions	Retirements or Disposals	Balance at May 31, 2017
<i>Depreciable assets</i>				
Buildings	\$ 1,617,130	\$ -	\$ -	\$ 1,617,130
Machinery and equipment	4,443,565	95,366	-	4,538,931
Vehicles	660,568	7,261	(15,304)	652,525
Distribution, transmission, and other operational equipment	19,759,367	1,017,717	-	20,777,084
	<u>26,480,630</u>	<u>1,120,344</u>	<u>(15,304)</u>	<u>27,585,670</u>
Accumulated depreciation	<u>(11,300,776)</u>	<u>(598,144)</u>	<u>15,304</u>	<u>(11,883,616)</u>
Total depreciable assets, net	<u>15,179,854</u>	<u>522,200</u>	<u>-</u>	<u>15,702,054</u>
<i>Non-depreciable assets</i>				
Land	<u>22,750</u>	<u>-</u>	<u>-</u>	<u>22,750</u>
Total capital assets, net	<u>\$ 15,202,604</u>	<u>\$ 522,200</u>	<u>\$ -</u>	<u>\$ 15,724,804</u>

### Note 4 - Unearned Revenue

Unearned revenue consists of the following:

<i>General Fund</i>	
East/West fire protection contract	\$ 431,363
Building and planning deposits	13,175
Tax sale certificates	466,267
	<u>910,805</u>
	<u>\$ 910,805</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 5 - Bonds and State Loan Payable

A summary of changes in bonds payable is as follows:

	May 31, 2017			
	General Fund	Sewer Fund	Electric Fund	Total
Bonds payable, June 1, 2016	\$ 2,791,000	\$ 301,000	\$ 3,259,000	\$ 6,351,000
Repayments	<u>(448,500)</u>	<u>(55,000)</u>	<u>(181,500)</u>	<u>(685,000)</u>
Bonds payable, May 31, 2017	<u>\$ 2,342,500</u>	<u>\$ 246,000</u>	<u>\$ 3,077,500</u>	<u>\$ 5,666,000</u>

A summary of changes in the state loan payable is as follows:

	May 31, 2016	Issuances	Repayments	May 31, 2017
EFC Loan - Sewer Fund	<u>\$ 1,655,211</u>	<u>\$ -</u>	<u>\$ (59,200)</u>	<u>\$ 1,596,011</u>

A summary of the Village's bond and loan issues at May 31, 2017 is as follows:

Description	Issue Date	Maturity Date	Interest Rate	Balance
General Fund				
2012 Public Improvement Serial Bond	6/2012	8/2020	2.00% to 2.25%	\$ 202,500
2014 Public Improvement Serial Bond	1/2014	4/2042	2.25% to 4.25%	480,000
2012 Public Improvement Serial Bond	6/2012	8/2023	2.00% to 2.75%	<u>1,660,000</u>
				<u>2,342,500</u>
Sewer Fund				
EFC Loan Payable	12/2013	12/2043	0%	1,596,011
2002 Public Improvement Serial Bond	8/2002	9/2020	1.93% to 5.22%	<u>246,000</u>
				<u>1,842,011</u>
Electric Fund				
2012 Public Improvement Serial Bond	6/2012	8/2019	2.00% to 2.125%	352,500
2014 Public Improvement Serial Bond	1/2014	4/2042	2.25% to 4.25%	<u>2,725,000</u>
				<u>3,077,500</u>
Total bonds and state loans payable				<u>\$ 7,262,011</u>

Interest expense on General Fund debt was \$61,933 for the year ended May 31, 2017. Interest expense on Electric Fund and Sewer Fund debt was \$113,330 and \$13,813, respectively.

The Village's debt limit is approximately \$31.8 million, of which the Village has total outstanding debt obligations of approximately \$5.7 million, leaving a net debt contracting margin of approximately \$26.1 million.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 5 - Bonds and State Loan Payable - Continued

The following is a summary of the future debt service requirements:

	Bond Principal	EFC Loan Principal	Bond Interest	Total
For the year ending May 31,				
2018	\$ 695,500	\$ 59,200	\$ 187,170	\$ 941,870
2019	530,000	59,200	171,485	760,685
2020	538,000	59,200	157,103	754,303
2021	431,000	59,200	143,759	633,959
2022	345,000	59,200	130,891	535,091
2023 through 2027	1,125,000	296,000	518,806	1,939,806
2028 through 2032	590,000	296,000	371,419	1,257,419
2033 through 2037	630,000	296,000	255,719	1,181,719
2038 through 2042	781,500	296,000	117,578	1,195,078
2043 through 2044	-	116,011	3,613	119,624
	<u>\$ 5,666,000</u>	<u>\$ 1,596,011</u>	<u>\$ 2,057,543</u>	<u>\$ 9,319,554</u>

### Note 6 - Fund Balance

Fund balance is as follows:

	General	Community Development	Capital Projects	Housing Authority
Restricted				
Nonspendable				
Prepaid expenses	\$ 100,157	\$ -	\$ -	\$ -
Restricted for				
Capital reserve	515,110	-	-	-
Length of service program awards	2,517,330	-	-	-
Reserve for debt	760,156	-	-	-
	<u>3,892,753</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted				
Assigned for				
Capital purposes	-	-	78,235	-
Special revenue purposes	-	300,737	-	-
Unassigned	485,401	-	-	13,186
	<u>485,401</u>	<u>300,737</u>	<u>78,235</u>	<u>13,186</u>
Total fund balance	<u>\$ 4,378,154</u>	<u>\$ 300,737</u>	<u>\$ 78,235</u>	<u>\$ 13,186</u>

### Note 7 - Interfund Transactions

Interfund balances are as follows at May 31, 2017:

Due To Other Funds	Due From Other Funds						
	General	Community Development	Eliminations	Total Governmental Funds	Business-Type Activities	Net Gov. and Business- Type Activities	Fiduciary
General	\$ -	\$ 1,729	\$ -	\$ 1,729	\$ 84,850	\$ 86,579	\$ 5,695
Elimination	-	-	(1,729)	(1,729)	-	(1,729)	-
Total governmental funds	-	1,729	(1,729)	-	84,850	84,850	5,695
Fiduciary	36,092	-	-	36,092	-	36,092	-
Total	<u>\$ 36,092</u>	<u>\$ 1,729</u>	<u>\$ -</u>	<u>\$ 36,092</u>	<u>\$ 84,850</u>	<u>\$ 120,942</u>	<u>\$ 5,695</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 8 - Changes in Long-Term Liabilities

The following tables summarize changes in long-term liabilities for both governmental activities and business-type activities:

Change in long-term liabilities - governmental activities:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 64,239	\$ 4,923	\$ -	\$ 69,162	\$ 6,916
Other postemployment benefits	1,250,261	291,724	118,495	1,423,490	-
Net pension liability	472,033	115,048	305,196	281,885	-
Length of service award program obligations	3,296,292	480,455	237,469	3,539,278	-
Bonds payable	2,791,000	-	448,500	2,342,500	448,500
<b>Total</b>	<b>\$ 7,873,825</b>	<b>\$ 892,150</b>	<b>\$ 1,109,660</b>	<b>\$ 7,656,315</b>	<b>\$ 455,416</b>

Change in long-term liabilities - business type activities:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 92,453	\$ 12,681	\$ -	\$ 105,134	\$ 10,500
Other postemployment benefits	2,008,458	468,634	190,354	2,286,738	-
Net pension liability	576,929	140,614	373,018	344,525	-
State loan payable	1,655,211	-	59,200	1,596,011	59,200
Bonds payable	3,560,000	-	236,500	3,323,500	247,000
<b>Total</b>	<b>\$ 7,893,051</b>	<b>\$ 621,929</b>	<b>\$ 859,072</b>	<b>\$ 7,655,908</b>	<b>\$ 316,700</b>

### Note 9 - New York State Retirement System

#### a. Plan Description

The Village participates in the New York State and Local Employees' Retirement System (System). The System is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System.

The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the System for the custody and control of its funds. The System issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

#### b. Plan Benefits

The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined the System. The RSSL has established distinct classes of membership. The System uses a tier concept to distinguish these groups, as follows:

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

#### *b. Plan Benefits - Continued*

- Tier 1 - Those persons who last became members before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

Generally, members of the System may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 need 10 years of service credit to be 100 percent vested.

Typically, the benefit for members in all Tiers is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 2 member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 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 Tier 3, 4, or 5 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. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20 percent of the previous year (Tier 1) or no more than 20 percent of the average of the previous two years (Tier 2). For Tier 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10 percent of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

#### *b. Plan Benefits - Continued*

An automatic postemployment benefit is provided annually to pensioners who have attained age 62 and have been retired for five years; to pensioners who have attained age 55 and have been retired for ten years; to all disability pensioners, regardless of age, who have been retired for five years; an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and 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 greater than 3 percent.

#### *c. Funding Policy*

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members are not required to make employee contributions. Employees in Tiers 3, 4, and 5 are required to contribute 3 percent of their salary, however, as a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees who have ten or more years of membership or credited service within the System are not required to contribute. The Tier 6 contribution rate varies from 3 percent to 6 percent depending on salary. Tiers 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for the fiscal year ended March 31, 2017 was approximately 18.2 percent of payroll.

The required contributions for the current year and the two preceding years were:

2017	\$	255,662
2016		271,120
2015		283,850

Contributions made to the System were equal to 100% of the contributions required for each year.

#### *d. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions*

At May 31, 2017, the Village reported a total liability of \$626,410 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2017, and the total pension liability was determined by an actuarial valuation as of April 1, 2016. The Village's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date.

At the March 31, 2017, measurement date, the Village's proportionate share in the System was 0.00666666%.



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

*d. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

For the year ended May 31, 2017, the Village recognized pension expense of \$354,299. At May 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,064	\$ 42,806
Changes of assumptions	96,302	-
Net differences between projected and actual investment earnings on pension plan investments	56,304	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,709	9,346
Pension contributions subsequent to the measurement date	20,131	-
Total	\$ 184,510	\$ 52,152
	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,633	\$ 52,318
Changes of assumptions	117,703	-
Net differences between projected and actual investment earnings on pension plan investments	68,816	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,756	11,424
Pension contributions subsequent to the measurement date	24,604	-
Total	\$ 225,512	\$ 63,742

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

d. *Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

	Governmental Activities	Business Type-Activities	Total
Year ending May 31,			
2018	\$ 51,319	\$ 62,724	\$ 114,043
2019	51,319	62,724	114,043
2020	47,646	58,234	105,880
2021	(38,057)	(46,516)	(84,573)
Total	\$ 112,227	\$ 137,166	\$ 249,393

#### *Actuarial Assumptions*

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.50%
Salary Scale	3.80%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses
Decrement	Developed from the Plan's August 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

Actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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 returns net of investment expense 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.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

*d. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

*Investment Asset Allocation*

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the applicable valuation dates are summarized as follows:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	36.00%	4.55%
International equity	14.00%	6.36%
Private equity	10.00%	7.75%
Real estate	10.00%	5.80%
Absolute return strategies	2.00%	4.00%
Opportunistic portfolio	3.00%	5.89%
Real assets	3.00%	5.54%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-Indexed bonds	4.00%	1.50%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to calculate the total pension liability was 7.0%. 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. Based upon the 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.

*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 calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 9 - New York State Retirement System - Continued

d. *Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

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

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	\$ 2,000,636	\$ 626,410	\$ (535,492)
Proprietary activities	\$ 1,100,350	\$ 344,525	\$ (294,521)
Governmental activities	900,286	281,885	(240,971)
	\$ 2,000,636	\$ 626,410	\$ (535,492)

#### *Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows (amounts in thousands):

Employers' total pension liability	\$ 177,400,586
Plan net position	(168,004,363)
Employers' net pension liability	\$ 9,396,223
Ratio of plan net position to the employers' total pension liability	94.7%

### Note 10 - Other Postemployment Benefits (OPEB)

#### *Plan Overview*

The Village provides certain health benefits subsequent to employment for eligible retirees. Effective March 30, 2007, the service requirement for a receipt of health insurance in retirement is five consecutive years of service with the Village (ten years for all employees hired on or after March 30, 2007), and the employee must either: 1) continue to be employed by the Village on the last date immediately prior to retirement into the Plan; or 2) have been employed by the Village as his/her last public sector employer, and have continuously self-paid his/her health insurance premiums to, and remained enrolled in the Village's health insurance plan between the last date of service with the Village and the date of vesting receipt of benefits from the Plan, whichever is applicable, as set forth in the Plan Rules and Regulations (Part 256).

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 10 - Other Postemployment Benefits (OPEB) - Continued

#### *Plan Overview - Continued*

	Number of Subscribers
Active	30
Retired	19
Deceased	2
Total	51

#### *Contributions*

The Village has agreed to contribute a payment of 50% for individual coverage and 35% for family coverage, toward all retirees' hospitalization insurance premium costs for eligible retirees. The Village contributes 100% of the premium payments for individual or family coverage for all employees covered by Article III(4)(b) during the employee's retirement.

#### *Funding Policy*

The contribution requirements of plan members and the Village are established and may be amended by the Village Board. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended May 31, 2017, the Village paid approximately \$308,800 on behalf of the plan members.

#### *Annual OPEB Cost and Net OPEB Obligation*

The annual required contribution (ARC) represents a level of funding, that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously "required." The Village's actual OPEB cost for the year, the amount actually paid on behalf of the plan, and changes in the Village's OPEB obligation to the plan for the year ended May 31, 2017, are as follows:

Annual required contribution (ARC)	\$ 778,631
Interest on net OPEB obligation (NOO)	43,943
Adjustment to ARC	(62,218)
Annual OPEB cost	760,356
Contributions made	(308,849)
Increase	451,507
NOO at beginning of year	3,258,721
NOO at end of year	\$ 3,710,228
Actuarial accrued liability	\$ 6,879,536
Funded OPEB plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 6,879,536
Funded ratio	0%
Covered payroll	\$ 1,739,854
UAAL as a percentage of covered payroll	395.41%

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 10 - Other Postemployment Benefits (OPEB) - Continued

#### *Actuarial Methods and Assumptions*

Assumptions	Factor
Age adjusted factor	1.525
Average retirement age	63
Future contribution strategy	Remain a level % of the total cost over time
Community rating	No
Actuarial cost method	Entry age
Amortization method	Level of percent of payroll amortization
Assets backing OPEB liability	\$-0-
Employer asset return	0.00%
Discount rate	2.50%
Projected salary increases	2.10%
Amortization period	30
Participant percent	100.00%
UAL and ARC	Calculated using the alternative measurement method in accordance with GASB methodology
Mortality table	RP2000 mortality table or males and females projected ten years
Turnover assumption	Standard turnover assumptions - GASB 45 paragraph 35b

The actuarial assumptions used to establish retiree contribution rates include trend rates of annual healthcare costs of 8.0% for both medical and pharmacy, 3.5% for dental, and 3.0% for vision for the first fiscal year in the valuation, declining each year to an ultimate trend rate of 4.7% for both medical and pharmacy and 3.0% for dental and vision.

### Note 11 - Volunteer Firefighter Service Award Program

The Village sponsors, and is the program administrator, for a volunteer firefighter service awards program for the Village of Greenport Fire Department. The Village's financial statements are for the year ended May 31, 2017. However, the information maintained in this note is based on information for the Length of Service Awards Program for the plan year ended December 31, 2016. The actuarial calculations are as of January 1, 2016, using the beginning of the year valuation method.

#### *Length of Service Awards Program (LOSAP)*

A defined benefit service awards program for the active members of the Village of Greenport Fire Department was established effective January 1, 1994. 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 LOSAP is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 11 - Volunteer Firefighter Service Award Program - Continued**

#### *Length of Service Awards Program (LOSAP) - Continued*

The Village accounts for LOSAP assets as restricted investments in the General Fund. Benefit payments are recognized as an expenditure within the General Fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted General Fund assets to the rabbi/granter trust (restricted investments). See Note 13 for fair value measurement disclosures on the LOSAP assets.

Under Section 457(e)(11) of the Internal Revenue Code, Service Awards Programs for volunteer firefighters are referred to as LOSAP.

#### *Defined Benefit Program Description*

##### *a. Participation, Vesting, and Service Credit*

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The program's entitlement age is 65. 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 years of active volunteer firefighting service rendered prior to the establishment of this program. Participants who become unable to earn 50 points per year due to an injury sustained while performing a line of duty activity covered by the Volunteer Firefighters Benefit Law will be credited with five points for each full month during which they are disabled.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Village Board created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Village Attorney. The Village Board is the program trustee. In accordance with Article 11-A the trust fund constitutes a grantor/rabbi trust; the plan assets are not protected from the Village's creditors.

Authority to invest program assets is vested in the program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the written investment policy statement adopted by the Village Board.

##### *b. Benefits*

A participant's service award benefit is paid as a ten-year guaranteed monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned under the point system. The maximum number of years of service credit a participant may earn is twenty years under the program. Currently, there is one other form of payment of a volunteer's earned service award under the program (an actuarially equivalent lump sum). Except in the case of death or total and permanent disablement, service awards commence to be paid when a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and beginning to be paid a service award continue to have the opportunity to earn program credit and to thereby increase their service award payments.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 11 - Volunteer Firefighter Service Award Program - Continued

#### *b. Benefits - Continued*

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 minimum death benefit payable is \$10,000 if the participant was an active volunteer at death). 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 defined benefit program, see the Program Document, a copy of which is available from the Village Attorney.

#### *c. Actuarial Assumptions*

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the attained age normal cost method. Under the attained age normal cost method, there are two components. The first component, the normal cost is equal to the level annual payment required to fund the current participants' project benefits on their service credit earned after the effective date of the Program and before the entitlement age. The second component, the annual amortization cost, equals the level annual payments required to fund the participants benefits over the amortization period(s) based on (1) service credit earned before the effective date of the Program, (2) service credit earned after attainment of the Entitlement Age, and (3) other unfunded accrued liability.

Under the attained age normal cost method, the unfunded accrued liability is calculated using the unit credit cost method. All other calculations proceed in a similar manner to the frozen initial liability cost method.

The amortization period for the unfunded program liability is 15 years. The amortization period for post-EA service liability is 1 year.

Other assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed Invest Rate of Return	5.50%
Pre-Entitlement Age Mortality Table	RP-2014 Mortality Table without projection for calculation of each Pre-EA self-insured death benefit only.
Post-Entitlement Ager Mortality Table	RP-2014 Male Mortality Table without projection.
Valuation Age	Exact age of the valuation date, with annuity values linearly interpolated between whole ages.
Contribution Timing Adjustment	Contributions are assumed to be made 21 months after the valuation date.
Entitlement	100% of Entitlement Age
Realization Rate for Active Participats	100% of Entitlement Age for those who have earned at least one year of service credit in the prior three years, 0% otherwise
Withdrawal Rates	None
Administrative Cost	Fees paid from the Trust Fund are reimbursed back to the Fund as part of the minimum contribution.
Death Benefit	The minimum \$10,000 Pre-EA active member death benefit is funded by the program.
LOD Disability - immediate monthly benefit	1.50% load of the present value of projected benefits for terminated vested and active participants.



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 11 - Volunteer Firefighter Service Award Program - Continued**

#### *c. Actuarial Assumptions - Continued*

Benefit and administrative expenditures incurred under the Program were \$227,812 for the period ended May 31, 2017. The Actuarial Accrued Liability for the Program was \$3,539,278 for the period ended May 31, 2017 and is reported in the government-wide statement of net position.

### **Note 12 - Commitments, Contingencies, Risks, and Uncertainties**

#### *a. Power Supply and Transmission Contracts*

Electric power distributed by the Electric Fund is obtained from NYPA under a supply contract which expires during 2025. The Electric Fund is entitled to a specific amount of kilowatts of firm hydroelectric power and associated energy. Demand, energy, and transmission charges under this contract are subject to change and approval of regulatory authorities. There are no minimum capacity or other fixed charge components to this contract.

During 1997, the Electric Fund entered into an agreement with Consolidated Edison Company of New York, Inc. (Con Edison), whereby Con Edison would provide the Electric Fund with firm point-to-point transmission service for the transmission of energy purchased from NYPA. Under the agreement, the Electric Fund is required to notify Con Edison each year with a maximum amount of transmission capacity it will require in the succeeding year.

#### *b. Grant Programs*

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

#### *c. Certiorari Proceedings*

From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2017, which could affect future operating budgets of the Village.

#### *d. Risk and Uncertainties*

The Electric Fund is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include prices on the wholesale markets for short-term power transactions; water conditions, weather, and natural disaster disruptions; collective bargaining labor disputes, and governmental regulation.

The Village's LOSAP invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes in the values could materially affect plan balances and the amounts reported in the balance sheet.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 12 - Commitments, Contingencies, Risks, and Uncertainties - Continued

#### *e. Environmental Risks*

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Village expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Village. The Village believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

#### *f. Pending Litigation*

The Village is involved in certain suits and claims arising from a variety of sources. It is the opinion of counsel and management that the liabilities that may arise from such actions would be covered by the Village's insurance carrier or would not result in losses that would materially affect the financial position of the Village or the results of its operations.

### Note 13 - Fair Value Measurements

The Village categorizes its fair value measurements into the fair value hierarchy established by GASB No. 72. The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value:

Cash and money market, held for investment: The carrying amount approximates fair value because of the short maturity of the instruments.

Exchange Traded Funds and Mutual Funds: Reported at current quoted fair values.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### Note 13 - Fair Value Measurements - Continued

The following table summarizes as of May 31, 2017, the Village's restricted investments, and categorization with the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 45,967	\$ -	\$ -	\$ 45,967
Exchange Traded Funds				
U.S. Broad Market	510,882	-	-	510,882
International Equity	446,295	-	-	446,295
Mutual Funds				
PIMCO - Fixed Income	250,860	-	-	250,860
Macro Opportunities - Fixed Income	497,496	-	-	497,496
Worldwide - Fixed Income	251,692	-	-	251,692
Equity/Fixed Income Blend	514,138	-	-	514,138
	<u>\$ 2,517,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,517,330</u>

### Note 14 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68* (GASB No. 73). This statement establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (GASB No. 68), as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of GASB No. 68. It also amends certain provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, and GASB No. 68 for pension plans and pensions that are within their respective scopes. The requirements of this statement extend the approach to accounting and financial reporting established in GASB No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in GASB No. 68 should not be considered pension plan assets. It also requires that information similar to that required by GASB No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. See Note 1.q. regarding adoption of the portion of this standard that was effective for fiscal years beginning after June 15, 2015. The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 14 - Accounting Pronouncements Issued But Not Yet Implemented - Continued**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* (GASB No. 75). GASB No. 75 establishes financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB No. 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. This statement provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local governments. The requirements of this statement are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this statement is to address certain issues that have been raised with respect to GASB Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2017

### **Note 14 - Accounting Pronouncements Issued But Not Yet Implemented - Continued**

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

Management has not estimated the extent of potential impact of these statements on the Village's financial statements.

### **Note 15 - Subsequent Events**

On August 15, 2017, the Village issued \$800,000 in general obligation bonds to finance the cost of reconstruction of various Village roads, parking areas, sidewalks and curbs.

# Incorporated Village of Greenport, New York

## Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended May 31, 2017			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real property taxes	\$ 1,035,000	\$ 1,035,000	\$ 1,042,253	\$ 7,253
Real property tax items	34,700	68,140	11,338	(56,802)
Departmental income	1,124,465	1,124,465	1,254,525	130,060
Intergovernmental charges	743,524	743,524	696,080	(47,444)
Rental of real property	890,000	890,000	896,506	6,506
Use of money and property	2,500	2,500	235,778	233,278
Licenses and permits	36,000	36,000	46,108	10,108
Miscellaneous local sources	113,955	113,955	44,724	(69,231)
Other revenues	118,600	118,600	102,276	(16,324)
State aid	106,027	106,027	181,599	75,572
Total revenues	4,204,771	4,238,211	4,511,187	272,976
<b>EXPENDITURES</b>				
General government support	524,910	566,952	489,553	77,399
Public safety	1,187,570	1,504,384	1,111,573	392,811
Health	3,935	3,935	6,906	(2,971)
Transportation	720,996	722,427	702,832	19,595
Culture and recreation	838,335	882,724	895,085	(12,361)
Home and community services	206,267	216,446	167,390	49,056
Employee benefits	718,658	718,658	622,601	96,057
Debt service				
Principal	315,000	315,000	448,500	(133,500)
Interest	56,600	56,600	61,933	(5,333)
Total expenditures	4,572,271	4,987,126	4,506,373	480,753
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(367,500)</b>	<b>(748,915)</b>	<b>4,814</b>	<b>753,729</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated interfund transfer in	-	-	118,600	118,600
Appropriated interfund transfer out	-	(323,875)	(332,288)	(8,413)
Total other financing sources (uses)	-	(323,875)	(213,688)	110,187
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (367,500)</b>	<b>\$ (1,072,790)</b>	(208,874)	<b>\$ 863,916</b>
<b>FUND BALANCE, beginning of year, as restated</b>			4,587,028	
<b>FUND BALANCE, end of year</b>			<b>\$ 4,378,154</b>	

# Incorporated Village of Greenport, New York

## Required Supplementary Information Schedule of Funding Progress - Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
5/31/2016	\$ -	\$ 6,879,536	\$ 6,879,536	0.00%	\$ 1,739,854	395.41%
5/31/2013	\$ -	\$ 7,815,112	\$ 7,875,112	0.00%	\$ 1,717,000	458.66%

# Incorporated Village of Greenport, New York

## Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability

<u>New York State and Local Employees' Retirement System</u>	<u>May 31,</u>	
	<u>2017</u>	<u>2016</u>
Village's proportion of the net pension liability	0.00666666%	0.00653555%
Village's proportionate share of the net pension liability	\$ 626,410	\$ 1,048,963
Village's covered-employee payroll	1,843,135	1,697,221
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.99%	61.80%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.70%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*



## Incorporated Village of Greenport, New York

### Required Supplementary Information Schedule of Pension Contributions

	Years Ended May 31,					
	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 255,662	\$ 273,582	\$ 286,427	\$ 302,953	\$ 306,161	\$ 206,091
Contributions in relation to the contractually required contribution	255,662	273,582	286,427	302,953	306,161	206,091
Contribution deficiency (excess)	-	-	-	-	-	-
Village's covered-employee payroll	1,843,135	1,697,221	1,763,872	1,717,677	1,704,229	1,506,103
Contributions as a percentage of covered-employee payroll	13.87%	16.12%	16.24%	17.64%	17.96%	13.68%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*