



**Incorporated Village of
Greenport, New York**

Financial Report

May 31, 2015

Incorporated Village of Greenport, New York

Financial Report

May 31, 2015

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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 aggregate remaining fund information of the Incorporated Village of Greenport, New York (Village) as of and for the year ended May 31, 2015, 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 Village'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 Village'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.

Opinions

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 aggregate remaining fund information of the Village as of May 31, 2015, 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 Matter

As discussed in Note 13, the Incorporated Village of Greenport discontinued the reporting of recreation activities in a separate enterprise fund as of June 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 10, 45, and 46, respectively, 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 December 1, 2015, 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.

SaxBST LLP

Albany, New York
December 1, 2015



Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

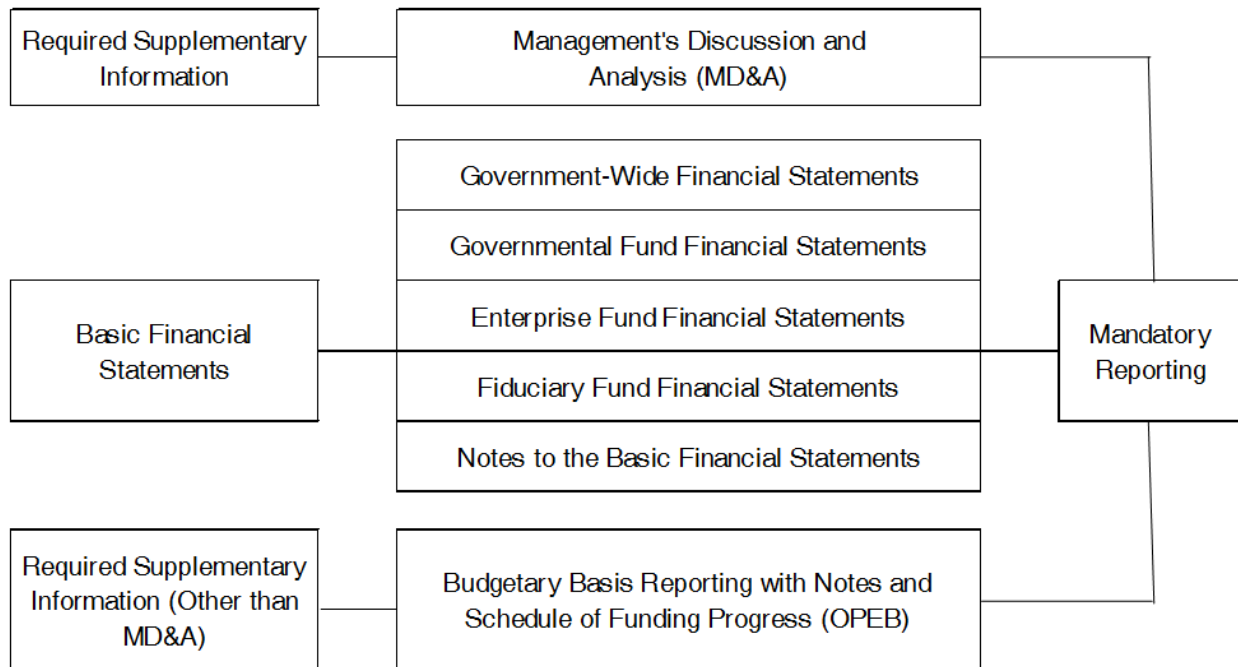
As management of the Village of Greenport, New York (Village), we offer the readers of the Village's financial statements this narrative overview and analysis as of May 31, 2015. We encourage readers to consider the information presented here in conjunction with our financial statements, which can be found on pages 11 through 45 and our supplementary information which can be found on pages 45 and 46 of this report.

Financial Highlights

- The assets of the Village exceeded liabilities on May 31, 2015, by \$23,596,542 representing net position. Of this amount, \$16,173,692 represents the Village's net investment in capital assets (capital assets, less long-term liabilities used to acquire capital assets), and \$5,001,035 is restricted for future capital improvements and debt service. The remaining amount, which represents unrestricted net position, is \$2,421,815.
- At May 31, 2015, the Village's governmental funds reported a combined ending fund balance of \$3,622,672. Of this amount, \$2,498,332 of the fund balance was nonspendable, restricted, or assigned for specific purposes. The combined unassigned fund balance was \$1,124,340, all of which pertains to the General Fund.

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 (U.S. GAAP):



Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

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 and liabilities, 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, 2015

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 44 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 \$23,596,542 at May 31, 2015.

By far, the largest portion, \$16,173,692, of the Village's net position (69%) reflects its investment in capital assets (i.e., land, buildings, improvements, infrastructure, work-in-progress, 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, 2015

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 2015 totaling \$1,681,560.

Table 1 - Net Position as of May 31, 2015 and 2014.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015*	2014	2015*	2014	2015	2014
ASSETS						
Cash and equivalents	\$ 2,517,836	\$ 2,712,509	\$ 2,660,882	\$ 2,922,339	\$ 5,178,718	\$ 5,634,848
Cash and cash equivalents, restricted	1,870,994	1,645,470	3,246,356	2,122,812	5,117,350	3,768,282
Receivables, net of uncollectibles	205,027	287,028	1,143,559	713,327	1,348,586	1,000,355
Inventories	-	-	194,772	215,505	194,772	215,505
Prepaid expenses	67,233	94,399	51,556	34,275	118,789	128,674
Due from other governments	-	26,162	-	9,429	-	35,591
Due from fiduciary funds	-	36,142	-	13,755	-	49,897
Internal balances	(49,076)	(62,011)	49,076	62,011	-	-
Total non-capital assets	4,612,014	4,739,699	7,346,201	6,093,453	11,958,215	10,833,152
Capital assets, net	9,805,723	1,903,778	15,165,380	22,486,769	24,971,103	24,390,547
Total assets	<u>14,417,737</u>	<u>6,643,477</u>	<u>22,511,581</u>	<u>28,580,222</u>	<u>36,929,318</u>	<u>35,223,699</u>
LIABILITIES						
Accounts payable and other current liabilities	161,504	88,578	223,761	264,705	385,265	353,283
Interest payable	14,464	5,707	41,708	60,456	56,172	66,163
Unearned revenues	660,777	808,498	100	61,129	660,877	869,627
Due to NYS retirement system	21,141	16,704	29,195	33,300	50,336	50,004
Due to other governments	-	-	-	15,839	-	15,839
Due to fiduciary fund	145,920	-	187,158	1,112	333,078	1,112
Customer deposits	-	-	116,315	110,655	116,315	110,655
Long-term liabilities						
Due within one year	453,500	128,500	337,700	345,300	791,200	473,800
Due in more than one year						
Bonds payable	2,791,000	994,500	3,560,000	6,299,700	6,351,000	7,294,200
State loan payable	-	-	1,655,211	1,773,611	1,655,211	1,773,611
Compensated absences	62,133	66,063	92,755	89,063	154,888	155,126
Other postemployment liability	1,065,992	715,284	1,712,442	1,430,013	2,778,434	2,145,297
Total liabilities	<u>5,376,431</u>	<u>2,823,834</u>	<u>7,956,345</u>	<u>10,484,883</u>	<u>13,332,776</u>	<u>13,308,717</u>
NET POSITION						
Invested in capital assets, net of related debt	6,561,223	780,778	9,612,469	14,068,158	16,173,692	14,848,936
Restricted for						
Capital improvements	802,802	577,278	3,130,041	2,012,157	3,932,843	2,589,435
Debt service	1,068,192	1,068,192	-	-	1,068,192	1,068,192
Unrestricted	609,089	1,393,395	1,812,726	2,015,024	2,421,815	3,408,419
Total net position	<u>\$ 9,041,306</u>	<u>\$ 3,819,643</u>	<u>\$ 14,555,236</u>	<u>\$ 18,095,339</u>	<u>\$ 23,596,542</u>	<u>\$ 21,914,982</u>

* Prior to June 1, 2014, the Village accounted for recreation activities within an enterprise fund.

Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

Overview of the Financial Statements - Continued

Government-Wide Financial Analysis - Continued

Governmental activities. Governmental activities increased the Village's net position by \$818,701, while business-type activities increased net position by \$862,859. 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, 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015*	2014	2015*	2014	2015	2014
REVENUES						
Program revenues						
Charges for services	\$ 2,871,743	\$ 1,877,183	\$ 5,587,143	\$ 6,547,003	\$ 8,458,886	\$ 8,424,186
Operating grants and contributions	974,260	1,022,685	-	30,000	974,260	1,052,685
Capital grants and contributions	6,120	26,162	-	-	6,120	26,162
General revenues						
Real property tax and related tax items	1,083,619	1,043,855	-	-	1,083,619	1,043,855
Non-property taxes	-	-	26,984	26,984	26,984	26,984
Other general revenue items	197,359	279,779	729,710	7,664	927,069	287,443
Interest earnings	7,945	5,349	8,521	10,209	16,466	15,558
Total revenues	<u>5,141,046</u>	<u>4,255,013</u>	<u>6,352,358</u>	<u>6,621,860</u>	<u>11,493,404</u>	<u>10,876,873</u>
EXPENSES						
Public safety	728,951	945,698	-	-	728,951	945,698
Health	3,283	4,777	-	-	3,283	4,777
Transportation	597,858	906,459	-	-	597,858	906,459
Economic opportunity and development	36,599	67,480	-	-	36,599	67,480
Culture and recreation	1,210,385	350,215	-	-	1,210,385	350,215
Home and community service	1,088,733	1,153,208	-	-	1,088,733	1,153,208
General government support	774,536	487,890	-	-	774,536	487,890
Electric	-	-	3,344,939	3,667,749	3,344,939	3,667,749
Water	-	-	459,180	409,102	459,180	409,102
Sewer	-	-	1,536,780	1,564,094	1,536,780	1,564,094
Recreation	-	-	-	1,168,141	-	1,168,141
Total expenses	<u>4,440,345</u>	<u>3,915,727</u>	<u>5,340,899</u>	<u>6,809,086</u>	<u>9,781,244</u>	<u>10,724,813</u>
Increase (decrease) in net position before transfers	<u>700,701</u>	<u>339,286</u>	<u>1,011,459</u>	<u>(187,226)</u>	<u>1,712,160</u>	<u>152,060</u>
Capital contributions	-	-	(30,600)	294,700	(30,600)	294,700
Transfers	118,000	(195,598)	(118,000)	195,598	-	-
CHANGES IN NET POSITION	818,701	143,688	862,859	303,072	1,681,560	446,760
NET POSITION, beginning of year	<u>3,819,643</u>	<u>3,675,955</u>	<u>18,095,339</u>	<u>17,792,267</u>	<u>21,914,982</u>	<u>21,468,222</u>
Change in accounting policy	4,402,962	-	(4,402,962)	-	-	-
NET POSITION, beginning of year, restated	<u>8,222,605</u>	<u>-</u>	<u>13,692,377</u>	<u>-</u>	<u>21,914,982</u>	<u>-</u>
NET POSITION, end of year	<u>\$ 9,041,306</u>	<u>\$ 3,819,643</u>	<u>\$ 14,555,236</u>	<u>\$ 18,095,339</u>	<u>\$ 23,596,542</u>	<u>\$ 21,914,982</u>

* Prior to June 1, 2014, the Village accounted for recreation activities within an enterprise fund.

Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

Overview of the Financial Statements - Continued

Governmental activities - Continued

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*, and increases in public safety and transportation expenses. As a result of GASB 45, the Village recorded an expense in governmental activities of \$210,861 during the current fiscal year. The Village's major governmental activities are financed mostly by a combination of charges for services, grants, and contributions, and by real property taxes and other general revenues. To meet the demand for these services, the Village increased property tax rates by 2.14% during the current fiscal year.

Business-type activities. Business-type activities increased the Village's net position by \$862,859. Net position increased for the Electric and Sewer Funds by \$481,663 and \$387,539, respectively. Net position decreased in the Water Fund by \$6,343.

Change in Accounting Policy

The Village changed its accounting policy related to activities previously reported in the Recreation Fund. The Recreation Fund was initially established as a proprietary fund and accounted for activity of the Village's marina, carousel, ice rink, trailer park, and other recreation facilities.

The Recreation Fund was partially supported by user charges and supplemented by interfund transfers from the Village's governmental activities to sustain operations. Management, along with those charged with governance, determined accounting for recreation activities within the Village's governmental activities would give a more accurate representation of the structure and intent, since these activities are in part funded by general government revenues. Accordingly, effective June 1, 2014, all assets, liabilities, and operations of the Recreation Fund are been reported within the General Fund and Governmental Activities.

The change in accounting policy resulted in an increase and decrease in beginning net position of \$4,402,962 to the Village's governmental and business-type activities, respectively. The Village's total net position was not impacted by this change in accounting policy.

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 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 \$3,622,672, a decrease of \$250,254 from the prior year. Out of the total fund balance, \$67,233 is in non-spendable form and, therefore, is not available for new spending, and \$1,870,994 is restricted for future capital improvements. \$560,105 of the Village's total fund balance is assigned for specific purposes, including community development, housing authority activities, and capital projects.

Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental funds - Continued

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 \$1,124,340, while total fund balance was \$3,062,567. 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 27% of total General Fund expenditures, while total fund balance represents 74% of that same amount. The overall fund balance of the Village's General Fund decreased by \$471,687 during the current fiscal year, primarily due to operating transfers to the Capital Projects fund for future acquisition, construction, and renovation of Village capital facilities or equipment.

The difference between the adopted General Fund budget and actual amounts for revenues and transfers-in was \$241,087. The primary drivers of this increase was rental of real property and departmental income. 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 \$(739,757). As previously discussed, the primary driver of this difference is due to transfers totaling \$602,430 to the Capital Projects Fund for future acquisition, construction, and renovation of real property within the Village.

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, 2015, amounts to \$24,971,103 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, work-in-progress, and infrastructure assets, such as roads, streets, and electrical, sewer and water systems. Major capital asset events that occurred during the current fiscal year included repairs to the Marina dock, paving of Moores Lane, and the continued initial upgrade of the Marina Electric Facilities.

Table 3 - Capital Assets as of May 31, 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,687,935	\$ 110,223	\$ 22,750	\$ 2,600,462	\$ 2,710,685	\$ 2,710,685
Buildings	4,708,252	1,429,083	1,617,130	4,864,918	6,325,382	6,294,001
Machinery and equipment	8,243,622	3,852,955	4,395,733	7,653,671	12,639,355	11,506,626
Infrastructure	5,989,815	5,812,191	-	-	5,989,815	5,812,191
Distribution, transmission, and other operational equipment	-	-	19,211,661	18,249,646	19,211,661	18,249,646
Construction in progress	-	-	-	708,087	-	708,087
Vehicles	789,779	789,779	627,828	627,828	1,417,607	1,417,607
Total capital	22,419,403	11,994,231	25,875,102	34,704,612	48,294,505	46,698,843
Accumulated depreciation	(12,613,680)	(10,090,453)	(10,709,722)	(12,217,843)	(23,323,402)	(22,308,296)
Total capital assets, net of depreciation	\$ 9,805,723	\$ 1,903,778	\$ 15,165,380	\$ 22,486,769	\$ 24,971,103	\$ 24,390,547

Year over year changes in capital asset amounts within governmental activities and business-type activities is attributed to the change in accounting policy relative to the reporting of recreation activities. Additional information on the Village's capital assets can be found in Note 1k on page 26 and Note 3 on pages 30 and 31 of this report.

Incorporated Village of Greenport, New York

Management's Discussion and Analysis May 31, 2015

Overview of the Financial Statements - Continued

Capital Asset and Debt Administration - Continued

Long-Term Debt

Table 4 - Long-Term Debt as of May 31, 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General Fund						
2012 Public Improvement Serial Bond	\$ 444,500	\$ 563,000	\$ -	\$ -	\$ 444,500	\$ 563,000
2014 Public Improvement Serial Bond	550,000	560,000	-	-	550,000	560,000
2002 Public Improvement Serial Bond	20,000	40,000	-	-	20,000	40,000
2012 Public Improvement Serial Bond	2,230,000	2,510,000	-	-	2,230,000	2,510,000
Sewer Fund						
2002 Public Improvement Serial Bond	-	-	353,000	403,000	353,000	403,000
2013 EFC Loan	-	-	1,714,411	1,773,611	1,714,411	1,773,611
Electric Fund						
1998 Public Improvement Serial Bond	-	-	45,000	90,000	45,000	90,000
2012 Public Improvement Serial Bond	-	-	585,500	707,000	585,500	707,000
2014 Public Improvement Serial Bond	-	-	2,855,000	2,895,000	2,855,000	2,895,000
Totals	\$ 3,244,500	\$ 3,673,000	\$ 5,552,911	\$ 5,868,611	\$ 8,797,411	\$ 9,541,611

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$7,083,000. 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 \$1,714,410 as of May 31, 2015. The loan bears interest at 0%, and is for the construction of the Village's new Wastewater Treatment Facility.

The Village maintains an "Aa2" 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 in excess of the Village's outstanding general obligation debt.

Additional information on the Village's long-term debt can be found in Note 5 on pages 32 and 33 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's residential and commercial tax base increased at a rate of 1.54% in 2015. 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, 2015		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 2,517,836	\$ 2,660,882	\$ 5,178,718
Cash and cash equivalents, restricted	1,870,994	3,246,356	5,117,350
Receivables, net of uncollectibles	205,027	1,143,559	1,348,586
Inventories	-	194,772	194,772
Prepaid expenses	67,233	51,556	118,789
Internal balances	(49,076)	49,076	-
Capital assets, net			
Non-depreciable	2,687,935	22,750	2,710,685
Depreciable	7,117,788	15,142,630	22,260,418
Total assets	14,417,737	22,511,581	36,929,318
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts payable and other current liabilities	161,504	223,761	385,265
Interest payable	14,464	41,708	56,172
Unearned revenues	660,777	100	660,877
Due to NYS retirement system	21,141	29,195	50,336
Due to fiduciary fund	145,920	187,158	333,078
Customer deposits	-	116,315	116,315
Long-term liabilities			
Due within one year	453,500	337,700	791,200
Due in more than one year			
Bonds payable	2,791,000	3,560,000	6,351,000
State loan payable	-	1,655,211	1,655,211
Compensated absences	62,133	92,755	154,888
Other postemployment benefits	1,065,992	1,712,442	2,778,434
Total liabilities	5,376,431	7,956,345	13,332,776
NET POSITION			
Net investment in capital assets	6,561,223	9,612,469	16,173,692
Restricted for			
Capital improvements	802,802	3,130,041	3,932,843
Debt service	1,068,192	-	1,068,192
Unrestricted	609,089	1,812,726	2,421,815
Total net position	\$ 9,041,306	\$ 14,555,236	\$ 23,596,542

See accompanying Notes to Financial Statements.

Incorporated Village of Greenport, New York

Statement of Activities

Year Ended May 31, 2015

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
GOVERNMENTAL ACTIVITIES							
Public safety	\$ 728,951	\$ 743,837	\$ -	\$ -	\$ 14,886	\$ -	\$ 14,886
Health	3,283	-	-	-	(3,283)	-	(3,283)
Transportation	597,858	-	-	-	(597,858)	-	(597,858)
Economic opportunity and development	36,599	-	-	-	(36,599)	-	(36,599)
Culture and recreation	1,210,385	1,223,019	-	-	12,634	-	12,634
Home and community service	1,088,733	-	852,074	-	(236,659)	-	(236,659)
General government support	666,612	904,887	122,186	6,120	366,581	-	366,581
Interest on long-term debt	107,924	-	-	-	(107,924)	-	(107,924)
Total governmental activities	<u>4,440,345</u>	<u>2,871,743</u>	<u>974,260</u>	<u>6,120</u>	<u>(588,222)</u>	<u>-</u>	<u>(588,222)</u>
BUSINESS-TYPE ACTIVITIES							
Electric	3,344,939	3,913,828	-	-	-	568,889	568,889
Water	459,180	448,348	-	-	-	(10,832)	(10,832)
Sewer	1,536,780	1,224,967	-	-	-	(311,813)	(311,813)
Total business-type activities	<u>5,340,899</u>	<u>5,587,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,244</u>	<u>246,244</u>
Total government	<u>\$ 9,781,244</u>	<u>\$ 8,458,886</u>	<u>\$ 974,260</u>	<u>\$ 6,120</u>	<u>(588,222)</u>	<u>246,244</u>	<u>(341,978)</u>
GENERAL REVENUES							
Real property tax and related tax items					1,083,619	-	1,083,619
Non-property taxes					-	26,984	26,984
Other general revenue items					197,359	729,710	927,069
Interest earnings					7,945	8,521	16,466
Total general revenues					<u>1,288,923</u>	<u>765,215</u>	<u>2,054,138</u>
TRANSFERS							
Capital contribution from business-type activities					-	(30,600)	(30,600)
Transfer from governmental to business-type activities					118,000	(118,000)	-
Total general revenues and transfers					<u>1,406,923</u>	<u>616,615</u>	<u>2,023,538</u>
CHANGE IN NET POSITION					<u>818,701</u>	<u>862,859</u>	<u>1,681,560</u>
NET POSITION, beginning of year					3,819,643	18,095,339	21,914,982
Change in accounting policy					<u>4,402,962</u>	<u>(4,402,962)</u>	<u>-</u>
NET POSITION, beginning of year, restated					<u>8,222,605</u>	<u>13,692,377</u>	<u>21,914,982</u>
NET POSITION, end of year					<u>\$ 9,041,306</u>	<u>\$ 14,555,236</u>	<u>\$ 23,596,542</u>

See accompanying Notes to Financial Statements.

Incorporated Village of Greenport, New York

Balance Sheet - Governmental Funds

	May 31, 2015			March 31, 2015		Total
	General	Community Development	Capital Projects	Housing Authority	Eliminations	
ASSETS						
Cash and cash equivalents	\$ 2,180,699	\$ 193,675	\$ 130,757	\$ 12,705	\$ -	\$ 2,517,836
Cash and cash equivalents, restricted	1,870,994	-	-	-	-	1,870,994
Accounts receivable	199,238	-	-	5,789	-	205,027
Due from other funds	8,970	20,255	254,680	-	(283,905)	-
Prepaid expenses	67,233	-	-	-	-	67,233
	\$ 4,327,134	\$ 213,930	\$ 385,437	\$ 18,494	\$ (283,905)	\$ 4,661,090
LIABILITIES						
Accounts payable and accrued expenses	\$ 134,375	\$ 2,868	\$ 23,374	\$ 887	\$ -	\$ 161,504
Due to NYS Retirement System	21,141	-	-	-	-	21,141
Due to fiduciary fund	144,518	-	202	1,200	-	145,920
Due to other funds	303,756	-	-	29,225	(283,905)	49,076
Unearned revenue	660,777	-	-	-	-	660,777
	1,264,567	2,868	23,576	31,312	(283,905)	1,038,418
FUND BALANCES						
Nonspendable	67,233	-	-	-	-	67,233
Restricted	1,870,994	-	-	-	-	1,870,994
Assigned	-	211,062	361,861	-	-	572,923
Unassigned	1,124,340	-	-	(12,818)	-	1,111,522
Total fund balances	3,062,567	211,062	361,861	(12,818)	-	3,622,672
	\$ 4,327,134	\$ 213,930	\$ 385,437	\$ 18,494	\$ -	\$ 4,661,090

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, 2015</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 3,622,672
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.	9,805,723
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(3,244,500)
Compensated absences	(62,133)
Accrued interest	(14,464)
Other postemployment benefits	<u>(1,065,992)</u>
Total net position, <i>end of year</i>	<u>\$ 9,041,306</u>

Incorporated Village of Greenport, New York

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

	Year Ended May 31, 2015			Year Ended March 31, 2015	Total
	General	Community Development	Capital Projects	Housing Authority	
REVENUES					
Real property taxes	\$ 1,009,938	\$ -	\$ -	\$ -	\$ 1,009,938
Real property tax items	73,681	-	-	-	73,681
Departmental revenues	1,138,134	99,569	-	-	1,237,703
Intergovernmental charges	743,837	-	-	-	743,837
Rental of real property	890,203	-	-	-	890,203
Use of money and property	7,859	33	45	8	7,945
Licenses and permits	35,010	-	-	-	35,010
Miscellaneous local sources	34,677	825	190	-	35,692
Other revenues	126,657	-	-	-	126,657
State aid	122,186	-	6,120	-	128,306
Federal aid	-	-	-	852,074	852,074
Total revenues	<u>4,182,182</u>	<u>100,427</u>	<u>6,355</u>	<u>852,082</u>	<u>5,141,046</u>
EXPENDITURES					
General government support	560,802	-	149,393	-	710,195
Public safety	788,329	-	-	-	788,329
Health	3,500	-	-	-	3,500
Transportation	636,947	-	-	-	636,947
Economic opportunity and development	-	38,992	-	-	38,992
Culture and recreation	1,033,580	-	255,941	-	1,289,521
Home and community services	152,198	-	2,640	922,895	1,077,733
Employee benefits	436,416	-	-	-	436,416
Debt service					
Principal	428,500	-	-	-	428,500
Interest	99,167	-	-	-	99,167
Total expenditures	<u>4,139,439</u>	<u>38,992</u>	<u>407,974</u>	<u>922,895</u>	<u>5,509,300</u>
Excess (deficiency) of revenues over expenditures	<u>42,743</u>	<u>61,435</u>	<u>(401,619)</u>	<u>(70,813)</u>	<u>(368,254)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	88,000	-	632,430	20,255	740,685
Operating transfers out	(602,430)	(20,255)	-	-	(622,685)
	<u>(514,430)</u>	<u>(20,255)</u>	<u>632,430</u>	<u>20,255</u>	<u>118,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(471,687)</u>	<u>41,180</u>	<u>230,811</u>	<u>(50,558)</u>	<u>(250,254)</u>
FUND BALANCES, beginning of year	3,487,247	169,882	131,050	37,740	3,825,919
Change in accounting policy	47,007	-	-	-	47,007
FUND BALANCES, beginning of year, restated	<u>3,534,254</u>	<u>169,882</u>	<u>131,050</u>	<u>37,740</u>	<u>3,872,926</u>
FUND BALANCES, end of year	<u>\$ 3,062,567</u>	<u>\$ 211,062</u>	<u>\$ 361,861</u>	<u>\$ (12,818)</u>	<u>\$ 3,622,672</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>May 31, 2015</u>
Net change in fund balances shown for total governmental funds	\$	(250,254)
<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 and loss on disposal of capital assets	1,289,047	
Depreciation expense	<u>(434,029)</u>	855,018
<p>Other postemployment obligations are 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>		
		(210,861)
<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>		
		428,500
<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		(8,757)
Compensated absence		<u>5,055</u>
Change in net position of governmental activities shown in the statement of activities	<u>\$</u>	<u>818,701</u>

Incorporated Village of Greenport, New York

Statement of Net Position - Proprietary Funds

	May 31, 2015				
	Electric Fund	Water Fund	Sewer Fund	Eliminations	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 803,712	\$ 661,623	\$ 1,195,547	\$ -	\$ 2,660,882
Cash and cash equivalents, restricted	3,060,504	-	185,852	-	3,246,356
Accounts receivable	474,737	112,202	556,620	-	1,143,559
Due from other funds	-	110,953	32,357	(94,234)	49,076
Inventory	107,064	87,708	-	-	194,772
Prepaid expenses	25,690	3,007	22,859	-	51,556
Total current assets	<u>4,471,707</u>	<u>975,493</u>	<u>1,993,235</u>	<u>(94,234)</u>	<u>7,346,201</u>
Non-depreciable capital assets	500	-	22,250	-	22,750
Depreciable capital assets	<u>5,354,739</u>	<u>756,985</u>	<u>9,030,906</u>	<u>-</u>	<u>15,142,630</u>
Total assets	<u>9,826,946</u>	<u>1,732,478</u>	<u>11,046,391</u>	<u>(94,234)</u>	<u>22,511,581</u>
LIABILITIES					
Current liabilities					
Accounts payable	109,565	24,466	68,514	-	202,545
Accrued interest payable	36,935	-	4,773	-	41,708
Accrued payroll related expenses	6,431	1,239	4,824	-	12,494
Accrued sales tax payable	8,722	-	-	-	8,722
Accrued compensated absences	47,879	10,690	34,186	-	92,755
Customer deposits	116,315	-	-	-	116,315
Due to other funds	94,234	-	-	(94,234)	-
Due to fiduciary fund	107,459	29,667	50,032	-	187,158
Due to NYS Retirement System	16,108	3,020	10,067	-	29,195
Unearned revenues	-	60	40	-	100
State loan payable, due in one year	-	-	59,200	-	59,200
Bonds payable, due in one year	226,500	-	52,000	-	278,500
Total current liabilities	<u>770,148</u>	<u>69,142</u>	<u>283,636</u>	<u>(94,234)</u>	<u>1,028,692</u>
Noncurrent liabilities					
State loan payable	-	-	1,655,211	-	1,655,211
Bonds payable	3,259,000	-	301,000	-	3,560,000
Other postemployment benefits	926,145	166,706	619,591	-	1,712,442
Total noncurrent liabilities	<u>4,185,145</u>	<u>166,706</u>	<u>2,575,802</u>	<u>-</u>	<u>6,927,653</u>
Total liabilities	<u>4,955,293</u>	<u>235,848</u>	<u>2,859,438</u>	<u>(94,234)</u>	<u>7,956,345</u>
NET POSITION					
Net investment in capital assets	1,869,739	756,985	6,985,745	-	9,612,469
Restricted					
Capital improvements	2,944,189	-	185,852	-	3,130,041
Unrestricted	<u>57,725</u>	<u>739,645</u>	<u>1,015,356</u>	<u>-</u>	<u>1,812,726</u>
Total net position	<u>\$ 4,871,653</u>	<u>\$ 1,496,630</u>	<u>\$ 8,186,953</u>	<u>\$ -</u>	<u>\$ 14,555,236</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, 2015			Total
	Electric Fund	Water Fund	Sewer Fund	
OPERATING REVENUES				
Charges for services	\$ 3,913,828	\$ 448,348	\$ 1,224,967	\$ 5,587,143
OPERATING EXPENSES				
Personal services	558,391	105,581	426,958	1,090,930
Employee benefits	611,196	124,768	397,422	1,133,386
Contractual expenses				
Administration and other government support	187,597	8,058	11,757	207,412
Insurance	54,670	10,274	13,318	78,262
Services, supplies, and operations	1,558,720	189,780	341,828	2,090,328
Bad debt expense	5,000	-	-	5,000
Depreciation	229,412	20,719	330,929	581,060
Total operating expenses	<u>3,204,986</u>	<u>459,180</u>	<u>1,522,212</u>	<u>5,186,378</u>
Operating income (loss)	<u>708,842</u>	<u>(10,832)</u>	<u>(297,245)</u>	<u>400,765</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	774	7,119	628	8,521
Other revenue	-	9,610	720,100	729,710
Sales tax revenues	-	-	26,984	26,984
Interest expense	<u>(139,953)</u>	<u>-</u>	<u>(14,568)</u>	<u>(154,521)</u>
Total nonoperating revenues (expenses)	<u>(139,179)</u>	<u>16,729</u>	<u>733,144</u>	<u>610,694</u>
Income before transfers and and capital contributions	<u>569,663</u>	<u>5,897</u>	<u>435,899</u>	<u>1,011,459</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Operating transfers out	(88,000)	-	(30,000)	(118,000)
Capital contribution to governmental funds	-	(12,240)	(18,360)	(30,600)
	<u>(88,000)</u>	<u>(12,240)</u>	<u>(48,360)</u>	<u>(148,600)</u>
Increase (decrease) in net position	<u>481,663</u>	<u>(6,343)</u>	<u>387,539</u>	<u>862,859</u>
NET POSITION, <i>beginning of year</i>	<u>4,389,990</u>	<u>1,502,973</u>	<u>7,799,414</u>	<u>13,692,377</u>
NET POSITION, <i>end of year</i>	<u>\$ 4,871,653</u>	<u>\$ 1,496,630</u>	<u>\$ 8,186,953</u>	<u>\$ 14,555,236</u>

See accompanying Notes to Financial Statements.

Incorporated Village of Greenport, New York

Statement of Cash Flows - Proprietary Funds

	Year Ended May 31, 2015			Total
	Electric Fund	Water Fund	Sewer Fund	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash received from providing services	\$ 3,860,977	\$ 439,779	\$ 856,155	\$ 5,156,911
Cash payments for contractual expenses	(2,407,117)	(166,705)	(306,310)	(2,880,132)
Cash payments for personal services and benefits	(261,890)	(189,035)	(672,452)	(1,123,377)
	<u>1,191,970</u>	<u>84,039</u>	<u>(122,607)</u>	<u>1,153,402</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Other activities	5,660	9,610	720,100	735,370
Sales tax revenues	-	-	26,984	26,984
Transfers to governmental activities	(88,000)	(12,240)	(48,360)	(148,600)
	<u>(82,340)</u>	<u>(2,630)</u>	<u>698,724</u>	<u>613,754</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on bonds	(206,500)	-	(50,000)	(256,500)
Principal payments on loans	-	-	(59,200)	(59,200)
Interest expense	(149,103)	-	(15,261)	(164,364)
Acquisition of capital assets	(244,178)	(15,637)	(46,783)	(306,598)
	<u>(599,781)</u>	<u>(15,637)</u>	<u>(171,244)</u>	<u>(786,662)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES				
Interest income	774	7,119	628	8,521
Net increase in cash and cash equivalents	510,623	72,891	405,501	989,015
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	3,353,593	588,732	975,898	4,918,223
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 3,864,216</u>	<u>\$ 661,623</u>	<u>\$ 1,381,399</u>	<u>\$ 5,907,238</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 708,842	\$ (10,832)	\$ (297,245)	\$ 400,765
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	229,412	20,719	330,929	581,060
Change in assets and liabilities				
Prepaid expenses	(11,757)	5,264	(17,121)	(23,614)
Accounts receivable	(52,851)	(8,569)	(368,812)	(430,232)
Inventory	19,004	1,729	-	20,733
Accounts payable and accrued expenses	(21,527)	8,308	30,275	17,056
Due from other funds	13,895	15,294	7,641	36,830
Due to other funds	97,459	29,667	50,032	177,158
Due to other governments	-	(15,839)	-	(15,839)
Other postemployment benefits	211,416	37,955	141,066	390,437
Due to NYS retirement system	(1,923)	343	628	(952)
	<u>\$ 1,191,970</u>	<u>\$ 84,039</u>	<u>\$ (122,607)</u>	<u>\$ 1,153,402</u>

See accompanying Notes to Financial Statements.

Incorporated Village of Greenport, New York

Statement of Net Position - Fiduciary Fund

	<u>May 31, 2015</u>
	<u>Trust and Agency</u>
ASSETS	
Cash and cash equivalents	\$ 71,243
Service award assets	2,323,922
Due from other funds	<u>333,078</u>
	<u>\$ 2,728,243</u>
LIABILITIES	
Agency liabilities	\$ 404,321
Service awards program	<u>2,323,922</u>
	<u>\$ 2,728,243</u>

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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.

a. Financial Reporting Entity

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.

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 inter-fund 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, 2015

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 unearned revenues. 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, 2015

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 and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

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.

The Village employs the following budgetary procedures:

- i. No later than March 15, 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 15, 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 an 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, 2015, 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.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

f. Cash and Cash Equivalents - Continued

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.

g. Investments

The Village's investments consist of securities placed in an irrevocable trust for the Length of Service Awards Program (LOSAP). These investments are held in trust on behalf of the Village by RBC Wealth Management, an outside management company, and consist of cash equivalents, U.S. and international equities, and fixed income securities. The Village's investments are reported in the Fiduciary Fund.

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.

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:

	<u>May 31, 2015</u>
Electric Fund	<u>\$ 243,000</u>
Sewer Fund	<u>\$ 29,890</u>
Water Fund	<u>\$ 12,500</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.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

j. Inventory

Inventory of the Electric Fund is valued 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 Water Fund is stated at the lower of average cost or market and include no realization reserve. Inventory 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 market value. There were no obsolete inventory items identified in the Electric Fund as of May 31, 2015.

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

k. Capital Assets

Governmental Funds

Capital assets in governmental activities consist of land, buildings, machinery and equipment, 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.

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 using the straight-line method. Fixed assets are depreciated over lives ranging from seven to seventy years.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

k. Fixed Assets - Continued

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 2015.

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

Water Fund	
Plant	40 years
Equipment	5-40 years
Infrastructure	20-100 years
Sewer Fund	
Plant	40 years
Equipment	5-40 years
Infrastructure	20-100 years
Electric Fund	
Plant	40 years
Equipment	10-50 years

l. 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:

	<u>May 31, 2015</u>
Governmental funds	\$ 62,133
Proprietary funds	<u>92,755</u>
	<u>\$ 154,888</u>

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

l. 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. During the year, approximately \$329,000 was paid on behalf of 23 retired/deceased beneficiaries. Retiree health insurance contributions are allocated and paid based on each fund's payroll as a percentage of total payroll.

m. 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 1f.

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.

n. 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.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

n. Fund Balance - Continued

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.

o. 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.

p. Subsequent Events

The Village has evaluated subsequent events for potential recognition or disclosure through December 1, 2015, the date the financial statements were available to be issued.

q. New Accounting Pronouncements

The Village adopted the provisions of GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement provides specific accounting and financial reporting guidance for combinations in this environment and improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

q. New Accounting Pronouncements - Continued

The Village adopted the provisions of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement provides financial reporting and disclosure guidance to those governments that extend and receive nonexchange financial guarantees, thereby enhancing comparability of financial statements among governments.

The adoption of GASB Statements No. 69 and No. 70 did not have a significant impact on the Village's May 31, 2015 financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Village administration prepares a proposed budget for approval by the Board of Trustees for the General Fund, the only fund with a legally adopted budget. 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, 2014	Transfers*	Additions	Disposals	Balance at May 31, 2015
<i>Depreciable assets</i>					
Buildings	\$ 1,429,083	\$ 3,251,449	\$ 27,720	\$ -	\$ 4,708,252
Machinery and equipment	3,852,955	3,306,964	1,083,703	-	8,243,622
Infrastructure	5,812,191	-	177,624	-	5,989,815
Vehicles	789,779	-	-	-	789,779
Total capital assets	11,884,008	6,558,413	1,289,047	-	19,731,468
Accumulated depreciation	(10,090,453)	(2,089,198)	(434,029)	-	(12,613,680)
Total depreciable assets	1,793,555	4,469,215	855,018	-	7,117,788
<i>Non-depreciable assets</i>					
Land	110,223	2,577,712	-	-	2,687,935
Total net capital assets	\$ 1,903,778	\$ 7,046,927	\$ 855,018	\$ -	\$ 9,805,723

* Transfers represent amounts previously recorded in the Recreation Fund. See Note 13.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 3 - Capital Assets - Continued

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

	Year Ended May 31, 2015			Total
	Electric Fund	Water Fund	Sewer Fund	
<i>Depreciable assets</i>				
Buildings	\$ 546,770	\$ -	\$ 1,070,360	\$ 1,617,130
Machinery and equipment	-	563,579	3,832,154	4,395,733
Vehicles	519,798	73,031	34,999	627,828
Distribution, transmission, and other operational equipment	<u>9,212,693</u>	<u>825,747</u>	<u>9,173,221</u>	<u>19,211,661</u>
Plant in service	10,279,261	1,462,357	14,110,734	25,852,352
Accumulated depreciation	<u>(4,924,522)</u>	<u>(705,372)</u>	<u>(5,079,828)</u>	<u>(10,709,722)</u>
Total depreciable assets, net	<u>5,354,739</u>	<u>756,985</u>	<u>9,030,906</u>	<u>15,142,630</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>\$ 5,355,239</u>	<u>\$ 756,985</u>	<u>\$ 9,053,156</u>	<u>\$ 15,165,380</u>

A summary of changes in the proprietary funds' capital assets during the year:

	Balance at June 1, 2014	Additions	Retirements or Transfers*	Balance at May 31, 2015
<i>Depreciable assets</i>				
Buildings	\$ 4,864,918	\$ 3,661	\$ (3,251,449)	\$ 1,617,130
Machinery and equipment	7,653,671	49,026	(3,306,964)	4,395,733
Vehicles	627,828	-	-	627,828
Distribution, transmission, and other operational equipment	<u>18,249,646</u>	<u>962,015</u>	<u>-</u>	<u>19,211,661</u>
	31,396,063	1,014,702	(6,558,413)	25,852,352
Accumulated depreciation	<u>(12,217,843)</u>	<u>(581,077)</u>	<u>2,089,198</u>	<u>(10,709,722)</u>
Total depreciable assets, net	<u>19,178,220</u>	<u>433,625</u>	<u>(4,469,215)</u>	<u>15,142,630</u>
<i>Non-depreciable assets</i>				
Land	2,600,462	-	(2,577,712)	22,750
Construction in progress	708,087	-	(708,087)	-
Total non-depreciable assets, net	<u>3,308,549</u>	<u>-</u>	<u>(3,285,799)</u>	<u>22,750</u>
Total capital assets, net	<u>\$ 22,486,769</u>	<u>\$ 433,625</u>	<u>\$ (7,755,014)</u>	<u>\$ 15,165,380</u>

* Transfers represent amounts previously recorded in the Recreation Fund. See Note 13.

Note 4 - Unearned Revenue

Unearned revenue consists of the following:

	May 31, 2015
General Fund	
East/west fire protection contract	\$ 446,486
Tax sale certificates	<u>214,291</u>
	<u>\$ 660,777</u>

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 5 - Bonds and State Loan Payable

A summary of changes in bonds payable is as follows:

	May 31, 2015				
	General Fund	Recreation Fund	Sewer Fund	Electric Fund	Total
Bonds payable, June 1, 2014	\$ 1,123,000	\$ 2,550,000	\$ 403,000	\$ 3,692,000	\$ 7,768,000
Transfers	2,550,000	(2,550,000)	-	-	-
Repayments	(428,500)	-	(50,000)	(206,500)	(685,000)
Bonds payable, May 31, 2015	<u>\$ 3,244,500</u>	<u>\$ -</u>	<u>\$ 353,000</u>	<u>\$ 3,485,500</u>	<u>\$ 7,083,000</u>

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

	May 31, 2014	Issuances	Repayments	May 31, 2015
EFC Loan - Sewer Fund	\$ 1,773,611	\$ -	\$ (59,200)	\$ 1,714,411

A summary of the Village's bond and loan issues at May 31, 2015, 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%	\$ 444,500
2014 Public Improvement Serial Bond	1/2014	4/2042	2.25% to 4.25%	550,000
2002 Public Improvement Serial Bond	3/2002	10/2015	1.36% to 4.52%	20,000
2012 Public Improvement Serial Bond	6/2012	8/2023	2.00% to 2.75%	2,230,000
				<u>3,244,500</u>
Sewer Fund				
EFC Loan Payable	12/2013	12/2043	0%	1,714,411
2002 Public Improvement Serial Bond	8/2002	9/2020	1.93% to 5.22%	353,000
				<u>2,067,411</u>
Electric Fund				
1998 Public Improvement Serial Bond	3/1998	7/2015	4.00% to 4.80%	45,000
2012 Public Improvement Serial Bond	6/2012	8/2019	2.00% to 2.125%	585,500
2014 Public Improvement Serial Bond	1/2014	4/2042	2.25% to 4.25%	2,855,000
				<u>3,485,500</u>
Total bonds and state loans payable				<u>\$ 8,797,411</u>

Interest expense on General Fund debt was \$107,924 for the year ended May 31, 2015. Interest expense on Electric Fund and Sewer Fund debt was \$139,953 and \$14,568, respectively.

The Village's debt limit is approximately \$31.8 million, of which the Village has total outstanding debt obligations of approximately \$7.1 million, leaving a net debt contracting margin of approximately \$24.7 million.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 5 - Bonds Payable - Continued

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

	Bond Principal	EFC Loan Principal	Interest	Total
For the year ending May 31,				
2016	\$ 732,000	\$ 59,200	\$ 203,954	\$ 995,154
2017	685,000	59,200	187,170	931,370
2018	697,000	56,811	171,485	925,296
2019	530,000	59,200	157,103	746,303
2020	538,000	59,200	143,759	740,959
2021 through 2025	1,631,000	296,000	559,653	2,486,653
2026 through 2030	645,000	296,000	396,619	1,337,619
2031 through 2035	575,000	296,000	279,219	1,150,219
2036 through 2040	720,000	296,000	148,297	1,164,297
2041 through 2043	330,000	236,800	14,238	581,038
	<u>\$ 7,083,000</u>	<u>\$ 1,714,411</u>	<u>\$ 2,261,497</u>	<u>\$ 11,058,908</u>

Note 6 - Fund Balance

Fund balance is as follows:

	General	Community Development	Capital Projects	Housing Authority
Restricted				
Nonspendable				
Prepaid expenses	\$ 67,233	\$ -	\$ -	\$ -
Restricted for				
Capital reserve	1,088,752	-	-	-
Reserve for debt	782,242	-	-	-
	<u>1,938,227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted				
Assigned for				
Capital purposes	-	-	361,861	-
Special revenue purposes	-	211,062	-	-
Unassigned	1,124,340	-	-	(12,818)
	<u>1,124,340</u>	<u>211,062</u>	<u>361,861</u>	<u>(12,818)</u>
Total fund balance	<u>\$ 3,062,567</u>	<u>\$ 211,062</u>	<u>\$ 361,861</u>	<u>\$ (12,818)</u>

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 7 - Interfund Transactions

Interfund balances are as follows at May 31, 2015:

Due From Other Funds	Due To Other Funds							
	General	Capital Projects	Community Development	Eliminations	Total Governmental Funds	Business-type Activities	Net Gov. and Business-Type Activities	Fiduciary
General	\$ -	\$ 254,680	\$ -	\$ -	\$ 254,680	\$ 49,076	\$ 303,756	\$ 144,518
Housing Authority	8,970	-	20,255	-	29,225	-	29,225	1,200
Capital Projects	-	-	-	-	-	-	-	202
Elimination	-	-	-	(283,905)	(283,905)	-	(283,905)	-
Total governmental funds	8,970	254,680	20,255	(283,905)	-	49,076	49,076	145,920
Business-type activities	-	-	-	-	-	-	-	-
Total	\$ 8,970	\$ 254,680	\$ 20,255	\$ -	\$ -	\$ 49,076	\$ 49,076	\$ 145,920

Note 8 - Changes in Long-Term Liabilities

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

Change in long-term liabilities - governmental activities:

Description	Beginning Balance	Transfers	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 66,063	\$ 24,059	\$ 25,709	\$ 53,698	\$ 62,133	\$ -
Other postemployment benefits	715,284	108,008	242,700	-	1,065,992	-
Bonds payable	1,123,000	2,550,000	-	428,500	3,244,500	453,500
Total	\$ 1,904,347	\$ 2,682,067	\$ 268,409	\$ 482,198	\$ 4,372,625	\$ 453,500

Change in long-term liabilities - business type activities:

Description	Beginning Balance	Transfers	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 89,063	\$ (24,059)	\$ 30,577	\$ 2,826	\$ 92,755	\$ -
Other postemployment benefits	1,430,568	(108,008)	389,882	-	1,712,442	-
State loan payable	1,773,611	-	-	59,200	1,714,411	59,200
Bonds payable	6,645,000	(2,550,000)	-	256,500	3,838,500	278,500
Total	\$ 9,938,242	\$ (2,682,067)	\$ 420,459	\$ 318,526	\$ 7,358,108	\$ 337,700

Note 9 - New York State Retirement System

The Village participates in the New York State and Local Employees' Retirement System (System). This 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 Systems.

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 9 - New York State Retirement System - Continued

Funding Policy

The System is noncontributory, except for employees who joined the New York State and Local Employees' Retirement System after July 17, 1976, who contribute 3% of their salary for the first ten years of service and employees who joined on or after January 1, 2010, who generally contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

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

<u>Year</u>	<u>ERS</u>
2015	\$ 283,850
2014	300,226
2012	178,387

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

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the Systems:

- Requires minimum contributions by employers of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.
- Changes the cycle of annual billing such that the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1st.

Chapter 260 of the Laws of New York State changed the annual payment due date for employers who participate in the New York State and Local Employees' Retirement System. The December 15 payment due date changed to February 1. The covered salary period (April 1 - March 31) will not change for the calculation. The Village continues to make payment on December 15.

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 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 NYSERS; 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 NYSERS, whichever is applicable, as set forth in the NYSERS Rules and Regulations (Part 256).

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Plan Overview - Continued

	Number of Subscribers
Active	34
Retired	20
Terminated	-
Deceased	3
Total	57

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, 2015, the Village paid approximately \$329,000 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, 2015, are as follows:

Annual required contribution (ARC)	\$ 968,176
Interest on net OPEB obligation (NOO)	16,121
Adjustment to ARC	(22,825)
Annual OPEB cost	961,472
Contributions made	(328,890)
Increase	632,582
NOO at beginning of year	2,145,852
NOO at end of year	\$ 2,778,434
Actuarial accrued liability	\$ 7,875,112
Funded OPEB plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 7,875,112
Funded ratio	0%
Covered payroll	\$ 1,664,085
UAAL as a percentage of covered payroll	473.24%

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Annual OPEB Cost and Net OPEB Obligation - Continued

Actuarial Methods and Assumptions

Assumptions	Factor
Age adjusted factor	1.677
Average retirement age	63
Future contribution strategy	Pay as you go
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% for medical, 8% for pharmacy, 3.5% for dental, and 3% 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.

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, 2015. 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, 2014. The actuarial calculations are as of January 1, 2014, 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 Village is the sponsor of the program.

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

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 11 - Volunteer Firefighter Service Award Program - Continued

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.

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.

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. Funding Methodology and Actuarial Assumptions

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the aggregate cost method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on program investments - Actuarial Valuation Assumptions	5.25%
Assumed rate of return on program investments - Present Value of Accrued Benefits	6.00%

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 11 - Volunteer Firefighter Service Award Program - Continued

Defined Benefit Program Description - Continued

c. Funding Methodology and Actuarial Assumptions

Tables used for:

Post Entitlement Age mortality	1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007
Disability	None
Withdrawal	None
Death (active)	None

Fiduciary Investment and Control

After the end of each calendar year, the fire department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year indicating which volunteers earned 50 points. The certified lists are delivered to the Village for the Village Board's review and approval. The fire department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Village Board.

The Village Board has retained Penflex, Inc. to assist in the administration of the program. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Village, which is available at the Village Attorney's office.

Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing to the Village the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The person(s) authorized by the Village Board then authorizes, in writing, the custodian of the Village's LOSAP trust funds to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and the written directive from the authorized representative of the Village Board.

Penflex, Inc. bills the Village for the services it provides. Invoices are authorized for payment by the Village in the same manner as any other invoice presented to the Village for payment. The Village pays Penflex, Inc.'s invoices from the LOSAP trust fund, in which case the Village reimburses the trust fund for the amounts paid to Penflex, Inc. to provide services for the defined benefit program (there is no reimbursement for Penflex, Inc.'s administrative costs paid under the defined contribution program).

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.

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.

The Village Board has retained RBC Wealth Management to provide investment management and custodial services.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 11 - Volunteer Firefighter Service Award Program - Continued

c. Funding Methodology and Actuarial Assumptions - Continued

The Village Board is required to retain an actuary to determine the amount of the Village's contributions to the plan. The actuary retained by the Village for this purpose is Penflex, Inc. Portions of the following information are derived from a report prepared by the actuary dated June 9, 2014.

Program Financial Condition

Assets and Liabilities

Actuarial present value of accrued service awards as of December 31, 2014		<u>\$3,176,454</u>
Less assets available for benefits as of December 31, 2014		
Cash and money market	17.07%	\$ 400,061
U.S. equities	9.92%	232,470
International equities	10.15%	237,925
Fixed income	15.51%	363,455
Mixed assets	42.04%	985,203
Other assets	5.31%	124,512
Total net assets available for benefits	<u>100.00%</u>	<u>2,343,626</u>
Total unfunded benefits		832,828
Less unfunded liability for separately amortized costs		<u>-</u>
Unfunded normal benefits		<u><u>\$ 832,828</u></u>

Receipts and Disbursements

Plan net assets, <i>beginning of year</i>		<u>\$2,280,165</u>
Change during the year:		
+ Plan contributions	\$ 225,977	
+ Investment income earned	107,154	
- Investment expense	(17,282)	
+/- Changes in fair value of investments	(91,193)	
- Plan benefits withdrawals and fees	(161,195)	
Plan net assets, <i>end of year</i>		<u><u>\$2,343,626</u></u>

Contributions

Amount of Fire District's contribution recommended by actuary for calendar year 2014		\$ 225,977
Amount of Fire District's actual contribution for calendar year 2013 in 2014		225,977

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 11 - Volunteer Firefighter Service Award Program - Continued

c. Funding Methodology and Actuarial Assumptions - Continued

Prior Service Costs

Prior service costs have been amortized and paid. In the defined benefit program, the program assets are less than the actuarial present value of accrued benefits.

Note 12 - Commitments and Contingencies

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, 2015, 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.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 12 - Commitments and Contingencies - Continued

d. Risk and Uncertainties - Continued

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.

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 - Change in Accounting Policy

Effective June 1, 2014, the Village changed its accounting policy related to activities previously reported in the Recreation Fund. The Recreation Fund was established as an enterprise fund and accounted for recreation activity of the Village's marina, carousel, ice rink, trailer park, and other recreation facilities.

The Recreation Fund was supported by user charges in addition to interfund transfers from the Village's governmental activities, primarily the General Fund, to sustain operations. Management, along with those charged with governance, determined accounting for recreation related activities within the Village's governmental activities would give a more accurate representation of the structure and intent, since these activities are partially funded by general government resources. Accordingly, effective June 1, 2014, all assets, liabilities, and operations of the Recreation Fund are being reported within the governmental activities and the General Fund.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

Note 13 - Change in Accounting Policy - Continued

A summary of the impact of this change on the June 1, 2014, Governmental Activities' Statement of Net Position and opening General Fund's fund balance is as follows:

	As Originally Stated	Adjustment	As Restated
<u>General Fund balance</u>	\$ 3,487,247	\$ 47,007	\$ 3,534,254
<u>Governmental Activities</u>			
Cash	\$ 4,357,979	\$ 126,928	\$ 4,484,907
Receivable, net	287,028	-	287,028
Due from other governments	26,162	9,429	35,591
Prepaid expenses	94,399	6,333	100,732
Due from fiduciary funds	36,142	-	36,142
Internal balances	(62,011)	-	(62,011)
Capital assets	1,903,778	7,046,927	8,950,705
Accounts payable	(88,578)	(28,610)	(117,188)
Accrued payroll related expenses	-	(1,639)	(1,639)
Due to fiduciary fund	-	(1,252)	(1,252)
Due to NYS retirement system	(16,704)	(3,153)	(19,857)
Accrued interest	(5,707)	(8,905)	(14,612)
Compensated absences	(66,063)	(24,059)	(90,122)
Unearned revenues	(808,498)	(61,029)	(869,527)
Long-term liabilities	(1,838,284)	(2,658,008)	(4,496,292)
Net position	\$ 3,819,643	\$ 4,402,962	\$ 8,222,605

Note 14 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

Incorporated Village of Greenport, New York

Notes to Financial Statements May 31, 2015

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

The scope of this statement also addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have certain characteristics as defined in the statement. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement is effective for periods beginning after June 15, 2014, with early implementation encouraged.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. This statement addresses an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of the statement are to be adopted simultaneously with Statement No. 68.

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. Fair value measurements include the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at a specific measurement date. This statement provides specific guidance for determining the fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. This statement is effective for all financial statements with periods beginning after June 15, 2015, early adoption is encouraged.

The estimated potential impact of these pronouncements on the Village's financial statements has not been determined at this time.

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, 2015			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 1,024,932	\$ 1,024,932	\$ 1,009,938	\$ (14,994)
Real property tax items	14,260	14,260	73,681	59,421
Departmental income	1,028,500	1,028,500	1,138,134	109,634
Intergovernmental charges	745,932	745,932	743,837	(2,095)
Rental of real property	775,000	775,000	890,203	115,203
Use of money and property	6,500	6,500	7,859	1,359
Licenses and permits	20,000	20,000	35,010	15,010
Miscellaneous local sources	112,294	112,294	34,677	(77,617)
Interfund revenues	118,450	118,450	126,657	8,207
State aid	95,227	95,227	122,186	26,959
Total revenues	3,941,095	3,941,095	4,182,182	241,087
EXPENDITURES				
General government support	409,822	409,822	560,802	(150,980)
Public safety	1,100,185	1,100,185	788,329	311,856
Health	4,600	4,600	3,500	1,100
Transportation	660,152	660,152	636,947	23,205
Culture and recreation	836,899	836,899	1,033,580	(196,681)
Home and community services	153,665	153,665	152,198	1,467
Employee benefits	740,828	740,828	436,416	304,412
Debt service				
Principal	300,000	300,000	428,500	(128,500)
Interest	68,192	68,192	99,167	(30,975)
Total expenditures	4,274,343	4,274,343	4,139,439	134,904
Excess (deficiency) of revenues over expenditures	(333,248)	(333,248)	42,743	375,991
OTHER FINANCING SOURCES (USES)				
Appropriated interfund transfer in	339,231	339,231	88,000	(251,231)
Appropriated interfund transfer out	21,000	21,000	(602,430)	(623,430)
Total other financing sources (uses)	360,231	360,231	(514,430)	(874,661)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 26,983	\$ 26,983	(471,687)	\$ (498,670)
FUND BALANCE, beginning of year			3,487,247	
Change in accounting policy			47,007	
FUND BALANCE, beginning of year, restated			3,534,254	
FUND BALANCE, end of year			\$ 3,062,567	

See Independent Auditor's Report.

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)
5/31/2013	\$ -	\$ 7,875,112	\$ 7,875,112	0.00%	\$ 1,664,085	473.24%