



**Incorporated Village of  
Greenport, New York**

Financial Report

May 31, 2020

# Incorporated Village of Greenport, New York

## Financial Report

May 31, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of May 31, 2020, 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 1q to the financial statements, the financial statements as of and for the year ended May 31, 2019 have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **Other Matter**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 10 and the required supplementary information listed in the accompanying table of contents on pages 53 to 57 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 October \_\_, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York  
December 5, 2020



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

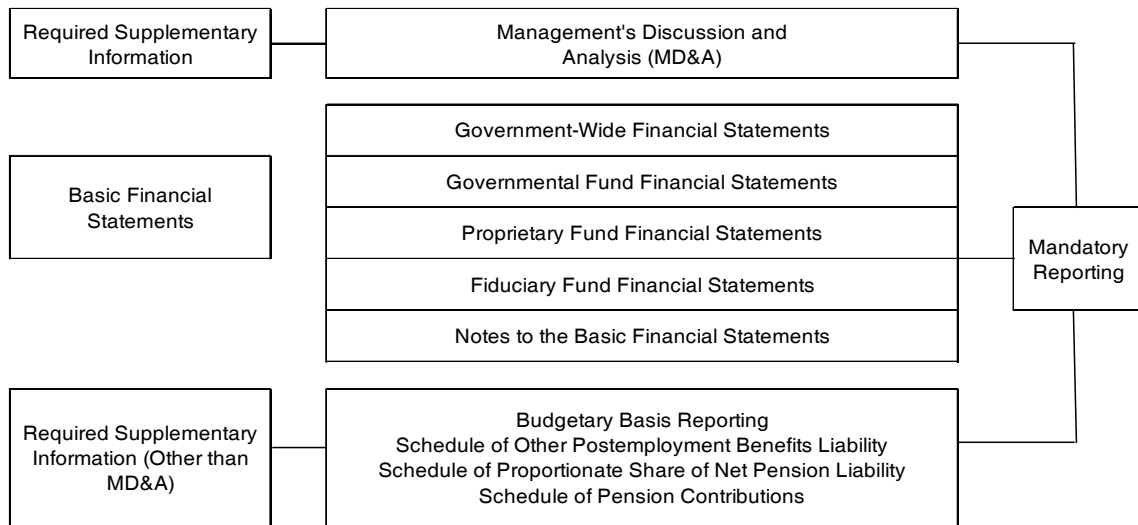
As management of the Village of Greenport, New York (Village), we offer the readers of the Village's financial statements this narrative overview and analysis as of and for the year ended May 31, 2020. We encourage readers to consider the information presented here in conjunction with our financial statements, which can be found on pages 11 through 52 and our supplementary information which can be found on pages 53 and 57 of this report.

### Financial Highlights

- The assets of the Village exceeded liabilities on May 31, 2020 by \$18,000,637, representing net position. Of this amount, \$22,470,930 represents the Village's net investment in capital assets (capital assets, less long-term liabilities used to acquire capital assets), and \$2,908,297 is restricted for future capital improvements. The remaining amount, which represents an unrestricted deficit of net position, is \$7,378,590.
- At May 31, 2020, the Village's governmental funds reported a combined ending fund balance of \$4,388,202. Of this amount, \$3,353,129 of the fund balance was restricted or assigned for specific purposes. The remaining amount, which represents unassigned fund balance, is \$1,035,073.

### Overview of the Financial Statements

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



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

### Overview of the Financial Statements - Continued

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

The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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, transportation, economic opportunity and 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 13 and 14 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, 2020

### 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 15 through 17 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 18 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 52 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 \$18,000,637 at May 31, 2020.

By far, the largest portion, \$22,470,930, of the Village's net position reflects its investment in capital assets (i.e., land, buildings, infrastructure, vehicles, and machinery and equipment) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

### Overview of the Financial Statements - Continued

### Government-Wide Financial Analysis - Continued

### Condensed Statements of Net Position

The Village experienced a decrease in net position during 2020 totaling \$191,994.

**Table 1 - Net Position as of May 31, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
<b>ASSETS</b>						
Cash and equivalents	\$ 2,835,074	\$ 3,253,289	\$ 3,930,721	\$ 3,527,531	\$ 6,765,795	\$ 6,780,820
Cash and cash equivalents, restricted	33	731,975	3,034,205	2,946,538	3,034,238	3,678,513
Investments, restricted	2,924,142	2,789,712	-	-	2,924,142	2,789,712
Receivables, net	227,954	231,546	637,662	483,986	865,616	715,532
Due from other governments	108,281	105,757	-	-	108,281	105,757
Inventory	-	-	225,044	248,744	225,044	248,744
Prepaid expenses	-	111,509	583	46,293	583	157,802
Due from fiduciary funds	-	-	-	5,726	-	5,726
Internal balances	(55,393)	(68,809)	55,393	68,809	-	-
Total non-capital assets	6,040,091	7,154,979	7,883,608	7,327,627	13,923,699	14,482,606
Capital assets, net	13,035,258	12,454,622	16,060,083	16,294,171	29,095,341	28,748,793
Total assets	19,075,349	19,609,601	23,943,691	23,621,798	43,019,040	43,231,399
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension deferrals	471,665	122,943	576,479	150,263	1,048,144	273,206
Length of service award program obligation deferrals	487,836	361,725	-	-	487,836	361,725
Total assets and deferred outflows of resources	20,034,850	20,094,269	24,520,170	23,772,061	44,555,020	43,866,330
<b>LIABILITIES</b>						
Accounts payable and other current liabilities	192,387	258,544	380,602	339,636	572,989	598,180
Unearned revenues	1,344,997	1,371,823	-	-	1,344,997	1,371,823
Due to NYS retirement system	19,579	20,020	23,929	24,468	43,508	44,488
Due to fiduciary fund	82	-	-	-	82	-
Customer deposits	-	-	125,941	124,388	125,941	124,388
Long-term liabilities						
Due within one year	419,973	411,906	209,200	307,200	629,173	719,106
Due in more than one year						
Bonds payable	2,240,000	2,621,000	2,435,000	2,583,500	4,675,000	5,204,500
State loan payable	-	-	1,359,211	1,418,411	1,359,211	1,418,411
Compensated absences	107,688	75,594	202,556	153,634	310,244	229,228
Net pension liability	755,443	218,021	923,319	266,471	1,678,762	484,492
Unearned revenues	1,242,306	1,269,313	-	-	1,242,306	1,269,313
Length of service award program obligations	5,125,587	4,849,454	-	-	5,125,587	4,849,454
Other postemployment benefits	3,520,606	3,426,715	5,655,605	5,504,773	9,176,211	8,931,488
Total liabilities	14,968,648	14,522,390	11,315,363	10,722,481	26,284,011	25,244,871
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension deferrals	29,832	79,967	36,462	97,737	66,294	177,704
Length of service award program obligation deferrals	204,078	251,124	-	-	204,078	251,124
Total liabilities and deferred inflows of resources	15,202,558	14,853,481	11,351,825	10,820,218	26,554,383	25,673,699
<b>NET POSITION</b>						
Net investment in capital assets	10,414,258	9,457,122	12,056,672	11,985,060	22,470,930	21,442,182
Restricted for						
Capital improvements	33	550,481	2,908,264	2,822,150	2,908,297	3,372,631
Debt service	-	181,494	-	-	-	181,494
Unrestricted (deficit)	(5,581,999)	(4,948,309)	(1,796,591)	(1,855,367)	(7,378,590)	(6,803,676)
<b>Total net position</b>	<b>\$ 4,832,292</b>	<b>\$ 5,240,788</b>	<b>\$ 13,168,345</b>	<b>\$ 12,951,843</b>	<b>\$ 18,000,637</b>	<b>\$ 18,192,631</b>



# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

### Overview of the Financial Statements - Continued

### Government-Wide Financial Analysis - Continued

**Table 2 - Changes in Net Position for the Fiscal Years Ended May 31, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 3,018,294	\$ 3,031,949	\$ 5,720,897	\$ 5,700,385	\$ 8,739,191	\$ 8,732,334
Operating grants and contributions	1,096,124	1,009,444	-	-	1,096,124	1,009,444
Capital grants and contributions	2,525	105,757	-	-	2,525	105,757
General revenues						
Real property tax and related tax items	1,091,961	1,024,489	-	-	1,091,961	1,024,489
Non-property taxes	-	-	26,984	26,984	26,984	26,984
Other general revenue items	252,488	216,983	333,324	305,157	585,812	522,140
Investment and deposit earnings	140,452	50,904	7,476	7,519	147,928	58,423
State aid and mortgage taxes not restricted to specific purposes	151,934	61,174	-	-	151,934	61,174
Total revenues	<u>5,753,778</u>	<u>5,500,700</u>	<u>6,088,681</u>	<u>6,040,045</u>	<u>11,842,459</u>	<u>11,540,745</u>
<b>EXPENSES</b>						
General government support	713,323	713,032	-	-	713,323	713,032
Public safety	1,304,134	1,175,679	-	-	1,304,134	1,175,679
Health	10,903	11,698	-	-	10,903	11,698
Transportation	1,409,589	1,108,486	-	-	1,409,589	1,108,486
Economic opportunity and development	61,831	53,574	-	-	61,831	53,574
Culture and recreation	1,257,268	1,581,677	-	-	1,257,268	1,581,677
Home and community service	1,523,826	1,517,759	-	-	1,523,826	1,517,759
Electric	-	-	3,585,747	3,818,341	3,585,747	3,818,341
Water	-	-	464,713	518,819	464,713	518,819
Sewer	-	-	1,703,119	1,715,600	1,703,119	1,715,600
Total expenses	<u>6,280,874</u>	<u>6,161,905</u>	<u>5,753,579</u>	<u>6,052,760</u>	<u>11,321,130</u>	<u>11,501,633</u>
Increase (decrease) in net position before transfers and capital contributions	(527,096)	(661,205)	335,102	(12,715)	521,329	(673,920)
Capital contributions	30,600	30,600	(30,600)	(30,600)	-	-
Transfers	88,000	88,000	(88,000)	(88,000)	-	-
<b>CHANGES IN NET POSITION</b>	<b>(408,496)</b>	<b>(542,605)</b>	<b>216,502</b>	<b>(131,315)</b>	<b>(191,994)</b>	<b>(673,920)</b>
<b>NET POSITION, beginning of year, as restated</b>	<u>5,240,788</u>	<u>5,783,393</u>	<u>12,951,843</u>	<u>13,083,158</u>	<u>18,192,631</u>	<u>18,866,551</u>
<b>NET POSITION, end of year</b>	<u>\$ 4,832,292</u>	<u>\$ 5,240,788</u>	<u>\$ 13,168,345</u>	<u>\$ 12,951,843</u>	<u>\$ 18,000,637</u>	<u>\$ 18,192,631</u>

**Governmental activities.** Governmental activities decreased the Village's net position by \$408,496.

For the most part, revenues and expenses remained relatively consistent year over year.

**Business-type activities.** Business-type activities increased the Village's net position by \$216,502. Net position increased the Electric, Water and Sewer Fund net position by \$58,866, \$12,244 and \$145,392, respectively.

### Financial Analysis of the Village's Funds

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

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

### Overview of the Financial Statements - Continued

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

As of the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$4,388,202, a decrease of \$1,027,603 from the prior year. Out of the total fund balance, \$2,924,142 is restricted for future awards provided under the Village's length of service award program and \$33 is restricted for future capital improvements. \$428,954 of the Village's total fund balance is assigned for specific purposes, including community development, Housing Authority activities, and capital projects. The remaining amount, which represents unassigned fund balances, is \$1,035,073.

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 \$1,035,073, while total fund balance was \$3,959,248. 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 approximately 20% of total General Fund expenditures, while total fund balance represents approximately 76% of that same amount. The overall fund balance of the Village's General Fund decreased by \$649,378 during the current fiscal year.

### 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, 2020, amounts to \$29,095,341 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, and infrastructure assets, such as roads, streets, and electrical, sewer, and water systems.

**Table 3 - Capital Assets as of May 31, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,687,935	\$ 2,687,935	\$ 22,750	\$ 22,750	\$ 2,710,685	\$ 2,710,685
Buildings	5,307,343	5,307,343	1,755,180	1,631,155	7,062,523	6,938,498
Machinery and equipment	8,449,404	8,299,451	4,770,219	4,708,140	13,219,623	13,007,591
Infrastructure	9,275,599	8,842,288	-	-	9,275,599	8,842,288
Distribution, transmission, and other operational equipment	-	-	22,398,028	22,246,597	22,398,028	22,246,597
Construction in progress	-	-	22,756	-	22,756	-
Vehicles	2,010,981	1,723,249	733,840	733,840	2,744,821	2,457,089
Total capital	27,731,262	26,860,266	29,702,773	29,342,482	57,434,035	56,202,748
Accumulated depreciation	(14,696,004)	(14,405,644)	(13,642,690)	(13,048,311)	(28,338,694)	(27,453,955)
<b>Total capital assets, net of depreciation</b>	<b>\$ 13,035,258</b>	<b>\$ 12,454,622</b>	<b>\$ 16,060,083</b>	<b>\$ 16,294,171</b>	<b>\$ 29,095,341</b>	<b>\$ 28,748,793</b>

Additional information on the Village's capital assets can be found in Note 1j on page 26 and Note 3 on pages 31 and 32 of this report.

# Incorporated Village of Greenport, New York

## Management's Discussion and Analysis May 31, 2020

### Capital Asset and Debt Administration - Continued

#### Long-Term Debt

**Table 4 - Long-Term Debt as of May 31, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General Fund						
2012 Public Improvement Serial Bond	\$ 21,000	\$ 52,500	\$ -	\$ -	\$ 21,000	\$ 52,500
2012 Public Improvement Serial Bond	925,000	1,145,000	-	-	925,000	1,145,000
2014 Public Improvement Serial Bond	370,000	410,000	-	-	370,000	410,000
2017 Public Improvement Serial Bond	665,000	740,000	-	-	665,000	740,000
2018 Public Improvement Serial Bond	640,000	650,000	-	-	640,000	650,000
Sewer Fund						
2002 Public Improvement Serial Bond	-	-	66,000	129,000	66,000	129,000
2013 EFC Loan	-	-	1,418,411	1,477,611	1,418,411	1,477,611
Electric Fund						
2012 Public Improvement Serial Bond	-	-	9,000	117,500	9,000	117,500
2014 Public Improvement Serial Bond	-	-	2,510,000	2,585,000	2,510,000	2,585,000
<b>Totals</b>	<b>\$ 2,621,000</b>	<b>\$ 2,997,500</b>	<b>\$ 4,003,411</b>	<b>\$ 4,309,111</b>	<b>\$ 6,624,411</b>	<b>\$ 7,306,611</b>

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,206,000. 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 \$1,418,411 as of May 31, 2020. The loan is non-interest bearing and is for the construction of the Village's Wastewater Treatment Facility.

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

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

Additional information on the Village's long-term debt can be found in Note 4 on pages 32 and 33 of this report.

#### Economic Factors

The Village hosts tens of thousands of tourists who vacation on Long Island's East End every summer, to visit the world-renowned Vineyards. The Village operates one of the largest public marinas on the East End of Long Island, as well as a campground and ice rink for public enjoyment which helps to drive the North Fork tourism industry. The Village is also home to the only hospital on the North Fork of Long Island. The Village has also added commercial and residential properties.

The Village's operations are affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Village's financial position, operations and cash flows. Possible effects in 2021 may include, but are not limited to, reductions in sales tax revenues, reduction of recreation program and permit revenues, reduction of tourism activities in the aforementioned paragraph and increased expenses resulting directly from implementing safety protocols.

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

Management's Discussion and Analysis  
May 31, 2020

## **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

Year Ended May 31, 2020

Functions/Programs	Program Revenue			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General government support	\$ 626,802	\$ 2,156,609	\$ -	\$ -	\$ 1,529,807	\$ -	\$ 1,529,807
Public safety	1,304,134	802,135	-	-	(501,999)	-	(501,999)
Health	10,903	-	-	-	(10,903)	-	(10,903)
Transportation	1,409,589	-	-	2,525	(1,407,064)	-	(1,407,064)
Economic opportunity and development	61,831	-	-	-	(61,831)	-	(61,831)
Culture and recreation	1,257,268	59,550	-	-	(1,197,718)	-	(1,197,718)
Home and community service	1,523,826	-	1,096,124	-	(427,702)	-	(427,702)
Interest on long-term debt	86,521	-	-	-	(86,521)	-	(86,521)
Total governmental activities	6,280,874	3,018,294	1,096,124	2,525	(2,163,931)	-	(2,163,931)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Electric	3,585,747	3,731,332	-	-	-	145,585	145,585
Water	464,713	475,889	-	-	-	11,176	11,176
Sewer	1,703,119	1,513,676	-	-	-	(189,443)	(189,443)
Total business-type activities	5,753,579	5,720,897	-	-	-	(32,682)	(32,682)
<b>Total government</b>	<b>\$ 12,034,453</b>	<b>\$ 8,739,191</b>	<b>\$ 1,096,124</b>	<b>\$ 2,525</b>	<b>(2,163,931)</b>	<b>(32,682)</b>	<b>(2,196,613)</b>
<b>GENERAL REVENUES</b>							
Real property tax and related tax items					1,091,961	-	1,091,961
Non-property taxes					-	26,984	26,984
Other general revenue items					252,488	333,324	585,812
Investment and deposit earnings					140,452	7,476	147,928
State aid and mortgage taxes not restricted to specific purposes					151,934	-	151,934
Total general revenues					1,636,835	367,784	2,004,619
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>							
Capital contribution from business-type to governmental activities					30,600	(30,600)	-
Transfer from business-type to governmental activities					88,000	(88,000)	-
Total general revenues, transfers, and capital contributions					1,755,435	249,184	2,004,619
<b>CHANGES IN NET POSITION</b>					<b>(408,496)</b>	<b>216,502</b>	<b>(191,994)</b>
<b>NET POSITION, beginning of year, as restated</b>					5,240,788	12,951,843	18,192,631
<b>NET POSITION, end of year</b>					<b>\$ 4,832,292</b>	<b>\$ 13,168,345</b>	<b>\$ 18,000,637</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Activities

Year Ended May 31, 2020

Functions/Programs	Program Revenue			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General government support	\$ 626,802	\$ 2,156,609	\$ -	\$ -	\$ 1,529,807	\$ -	\$ 1,529,807
Public safety	1,304,134	802,135	-	-	(501,999)	-	(501,999)
Health	10,903	-	-	-	(10,903)	-	(10,903)
Transportation	1,409,589	-	-	2,525	(1,407,064)	-	(1,407,064)
Economic opportunity and development	61,831	-	-	-	(61,831)	-	(61,831)
Culture and recreation	1,257,268	59,550	-	-	(1,197,718)	-	(1,197,718)
Home and community service	1,523,826	-	1,096,124	-	(427,702)	-	(427,702)
Interest on long-term debt	86,521	-	-	-	(86,521)	-	(86,521)
Total governmental activities	6,280,874	3,018,294	1,096,124	2,525	(2,163,931)	-	(2,163,931)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Electric	3,585,747	3,731,332	-	-	-	145,585	145,585
Water	464,713	475,889	-	-	-	11,176	11,176
Sewer	1,703,119	1,513,676	-	-	-	(189,443)	(189,443)
Total business-type activities	5,753,579	5,720,897	-	-	-	(32,682)	(32,682)
<b>Total government</b>	<b>\$ 12,034,453</b>	<b>\$ 8,739,191</b>	<b>\$ 1,096,124</b>	<b>\$ 2,525</b>	<b>(2,163,931)</b>	<b>(32,682)</b>	<b>(2,196,613)</b>
<b>GENERAL REVENUES</b>							
Real property tax and related tax items					1,091,961	-	1,091,961
Non-property taxes					-	26,984	26,984
Other general revenue items					252,488	333,324	585,812
Investment and deposit earnings					140,452	7,476	147,928
State aid and mortgage taxes not restricted to specific purposes					151,934	-	151,934
Total general revenues					1,636,835	367,784	2,004,619
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>							
Capital contribution from business-type to governmental activities					30,600	(30,600)	-
Transfer from business-type to governmental activities					88,000	(88,000)	-
Total general revenues, transfers, and capital contributions					1,755,435	249,184	2,004,619
<b>CHANGES IN NET POSITION</b>					<b>(408,496)</b>	<b>216,502</b>	<b>(191,994)</b>
<b>NET POSITION, beginning of year, as restated</b>					5,240,788	12,951,843	18,192,631
<b>NET POSITION, end of year</b>					<b>\$ 4,832,292</b>	<b>\$ 13,168,345</b>	<b>\$ 18,000,637</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Balance Sheet - Governmental Funds

	May 31, 2020			March 31, 2020	Eliminations	Total
	General	Community Development	Capital Projects	Housing Authority		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,482,783	\$ 260,405	\$ 54,606	\$ 37,280	\$ -	\$ 2,835,074
Cash and cash equivalents, restricted	33	-	-	-	-	33
Investments, restricted	2,924,142	-	-	-	-	2,924,142
Accounts receivable	227,349	605	-	-	-	227,954
Due from other governments	16,920	-	91,361	-	-	108,281
Due from other funds	426	11,830	122,200	-	(134,456)	-
	<b><u>\$ 5,651,653</u></b>	<b><u>\$ 272,840</u></b>	<b><u>\$ 268,167</u></b>	<b><u>\$ 37,280</u></b>	<b><u>\$ (134,456)</u></b>	<b><u>\$ 6,095,484</u></b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 133,233	\$ 1,428	\$ 43,725	\$ 563	\$ -	\$ 178,949
Due to NYS Retirement System	19,579	-	-	-	-	19,579
Due to other funds	177,593	-	426	11,830	(134,456)	55,393
Due to fiduciary fund	82	-	-	-	-	82
Unearned revenue	1,344,997	-	-	-	-	1,344,997
	<b><u>1,675,484</u></b>	<b><u>1,428</u></b>	<b><u>44,151</u></b>	<b><u>12,393</u></b>	<b><u>(134,456)</u></b>	<b><u>1,599,000</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Other unavailable resources	16,921	-	91,361	-	-	108,282
<b>FUND BALANCES</b>						
Restricted	2,924,175	-	-	-	-	2,924,175
Assigned	-	271,412	132,655	24,887	-	428,954
Unassigned	1,035,073	-	-	-	-	1,035,073
Total fund balances	<b><u>3,959,248</u></b>	<b><u>271,412</u></b>	<b><u>132,655</u></b>	<b><u>24,887</u></b>	<b><u>-</u></b>	<b><u>4,388,202</u></b>
	<b><u>\$ 5,651,653</u></b>	<b><u>\$ 272,840</u></b>	<b><u>\$ 268,167</u></b>	<b><u>\$ 37,280</u></b>	<b><u>\$ (134,456)</u></b>	<b><u>\$ 6,095,484</u></b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

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

	<u>May 31, 2020</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 4,388,202
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.	13,035,258
Deferred outflows and inflows for pensions are included in the government-wide statements and are added:	
Deferred outflows - length of service award program obligations	487,836
Deferred inflows - length of service award program obligations	(204,078)
Deferred outflows - pension resources	471,665
Deferred inflows - pension resources	(29,832)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	108,282
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(2,621,000)
Unearned revenues	(1,269,313)
Net pension liability	(755,443)
Compensated absences	(119,654)
Accrued interest	(13,438)
Length of service award program obligations	(5,125,587)
Other postemployment benefits	(3,520,606)
<b>Total net position, <i>end of year</i></b>	<b><u>\$ 4,832,292</u></b>



# Incorporated Village of Greenport, New York

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

	Year Ended May 31, 2020			Year Ended March 31, 2020	Total
	General	Community Development	Capital Projects	Housing Authority	
<b>REVENUES</b>					
Real property taxes	\$ 1,077,298	\$ -	\$ -	\$ -	\$ 1,077,298
Real property tax items	14,663	-	-	-	14,663
Departmental revenues	1,199,357	59,550	-	-	1,258,907
Intergovernmental charges	802,135	-	-	-	802,135
Rental of real property	957,252	-	-	-	957,252
Use of money and property	140,234	165	48	5	140,452
Licenses and permits	57,846	-	-	-	57,846
Miscellaneous local sources	76,081	1,581	13	12,628	90,303
Other revenues	104,339	-	-	-	104,339
State aid	117,685	-	34,249	-	151,934
Federal aid	-	-	-	1,096,124	1,096,124
Total revenues	<u>4,546,890</u>	<u>61,296</u>	<u>34,310</u>	<u>1,108,757</u>	<u>5,751,253</u>
<b>EXPENDITURES</b>					
General government support	501,566	-	-	-	501,566
Public safety	1,745,409	-	-	-	1,745,409
Health	7,399	-	-	-	7,399
Transportation	711,258	-	501,536	-	1,212,794
Economic opportunity and development	-	61,831	-	-	61,831
Culture and recreation	894,141	-	33,832	-	927,973
Home and community service	174,149	-	-	1,067,000	1,241,149
Employee benefits	692,193	-	-	40,589	732,782
Debt service					
Principal	376,500	-	-	-	376,500
Interest	90,053	-	-	-	90,053
Total expenditures	<u>5,192,668</u>	<u>61,831</u>	<u>535,368</u>	<u>1,107,589</u>	<u>6,897,456</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(645,778)</u>	<u>(535)</u>	<u>(501,058)</u>	<u>1,168</u>	<u>(1,146,203)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	118,600	-	122,200	-	240,800
Operating transfers out	(122,200)	-	-	-	(122,200)
	<u>(3,600)</u>	<u>-</u>	<u>122,200</u>	<u>-</u>	<u>118,600</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>(649,378)</u>	<u>(535)</u>	<u>(378,858)</u>	<u>1,168</u>	<u>(1,027,603)</u>
<b>FUND BALANCES, beginning of year, as restated</b>	<u>4,608,626</u>	<u>271,947</u>	<u>511,513</u>	<u>23,719</u>	<u>5,415,805</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 3,959,248</u>	<u>\$ 271,412</u>	<u>\$ 132,655</u>	<u>\$ 24,887</u>	<u>\$ 4,388,202</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

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

		<u>Year Ended May 31, 2020</u>
Net change in fund balances shown for total governmental funds		\$ (1,027,603)
<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	1,291,264	
Depreciation expense	<u>(710,628)</u>	580,636
<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>		
		376,500
<p>Proceeds from a utility easement agreement are included in the statement of revenues, expenditures, and changes in fund balances as revenue at the time of receipt, but deferred in the statement of net position as unearned revenue. This amount is amortized over the life of the agreement.</p>		
		27,007
<p>Net pension liability is not reported in the governmental funds. This liability and related deferrals are shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.</p>		
		(138,565)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		2,525
<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>		
Other postemployment benefits	(93,891)	
Accrued interest	3,532	
Length of service award program obligations, net of deferrals	(102,976)	
Compensated absences	<u>(35,661)</u>	<u>(228,996)</u>
<b>Change in net position of governmental activities shown in the statement of activities</b>		<b><u>\$ (408,496)</u></b>

# Incorporated Village of Greenport, New York

## Statement of Net Position - Proprietary Funds

	May 31, 2020				
	Electric Fund	Water Fund	Sewer Fund	Eliminations	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 578,885	\$ 1,025,682	\$ 2,326,154	\$ -	\$ 3,930,721
Cash and cash equivalents, restricted	2,848,353	-	185,852	-	3,034,205
Accounts receivable, net	377,209	45,014	215,439	-	637,662
Due from other funds	-	60,623	39,030	(44,260)	55,393
Inventory	134,510	49,355	41,179	-	225,044
Prepaid expenses	-	-	583	-	583
Total current assets	<u>3,938,957</u>	<u>1,180,674</u>	<u>2,808,237</u>	<u>(44,260)</u>	<u>7,883,608</u>
Non-depreciable capital assets	23,256	-	22,250	-	45,506
Depreciable capital assets	7,072,369	781,411	8,160,797	-	16,014,577
Total assets	<u>11,034,582</u>	<u>1,962,085</u>	<u>10,991,284</u>	<u>(44,260)</u>	<u>23,943,691</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	366,850	52,407	157,222	-	576,479
Total assets and deferred outflows of resources	<u>11,401,432</u>	<u>2,014,492</u>	<u>11,148,506</u>	<u>(44,260)</u>	<u>24,520,170</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	242,883	28,844	48,781	-	320,508
Accrued expenses	40,524	3,101	16,469	-	60,094
Accrued compensated absences	98,750	20,402	83,404	-	202,556
Customer deposits	125,941	-	-	-	125,941
Due to other funds	44,234	4	22	(44,260)	-
Due to NYS Retirement System	15,228	2,175	6,526	-	23,929
State loan payable, due in one year	-	-	59,200	-	59,200
Bonds payable, due in one year	84,000	-	66,000	-	150,000
Total current liabilities	<u>651,560</u>	<u>54,526</u>	<u>280,402</u>	<u>(44,260)</u>	<u>942,228</u>
Noncurrent liabilities					
State loan payable	-	-	1,359,211	-	1,359,211
Net pension liability	587,567	83,938	251,814	-	923,319
Bonds payable	2,435,000	-	-	-	2,435,000
Other postemployment benefits	3,058,737	550,573	2,046,295	-	5,655,605
Total noncurrent liabilities	<u>6,081,304</u>	<u>634,511</u>	<u>3,657,320</u>	<u>-</u>	<u>10,373,135</u>
Total liabilities	<u>6,732,864</u>	<u>689,037</u>	<u>3,937,722</u>	<u>(44,260)</u>	<u>11,315,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	23,203	3,315	9,944	-	36,462
Total liabilities and deferred inflows of resources	<u>6,756,067</u>	<u>692,352</u>	<u>3,947,666</u>	<u>(44,260)</u>	<u>11,351,825</u>
<b>NET POSITION</b>					
Net investment in capital assets	4,576,625	781,411	6,698,636	-	12,056,672
Restricted					
Capital improvements	2,722,412	-	185,852	-	2,908,264
Unrestricted	(2,653,672)	540,729	316,352	-	(1,796,591)
Total net position	<u>\$ 4,645,365</u>	<u>\$ 1,322,140</u>	<u>\$ 7,200,840</u>	<u>\$ -</u>	<u>\$ 13,168,345</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, 2020			Total
	Electric Fund	Water Fund	Sewer Fund	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,731,332	\$ 475,889	\$ 1,513,676	\$ 5,720,897
<b>OPERATING EXPENSES</b>				
Personal services	638,004	104,237	491,856	1,234,097
Employee benefits	522,228	104,972	440,011	1,067,211
Contractual expenses				
Administration and other government support	212,017	3,500	8,200	223,717
Insurance	66,267	12,000	17,800	96,067
Services, supplies, and operations	1,743,327	212,419	476,669	2,432,415
Depreciation	303,291	27,585	263,505	594,381
Total operating expenses	<u>3,485,134</u>	<u>464,713</u>	<u>1,698,041</u>	<u>5,647,888</u>
<b>Operating income (loss)</b>	<b><u>246,198</u></b>	<b><u>11,176</u></b>	<b><u>(184,365)</u></b>	<b><u>73,009</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	1,281	2,628	3,567	7,476
Other revenue	-	10,680	322,644	333,324
Sales tax revenues	-	-	26,984	26,984
Interest expense	(100,613)	-	(5,078)	(105,691)
Total nonoperating revenues (expenses)	<u>(99,332)</u>	<u>13,308</u>	<u>348,117</u>	<u>262,093</u>
<b>Income before transfers and     and capital contributions</b>	<b><u>146,866</u></b>	<b><u>24,484</u></b>	<b><u>163,752</u></b>	<b><u>335,102</u></b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Operating transfers out	(88,000)	-	-	(88,000)
Capital contribution to governmental funds	-	(12,240)	(18,360)	(30,600)
	<u>(88,000)</u>	<u>(12,240)</u>	<u>(18,360)</u>	<u>(118,600)</u>
<b>CHANGES IN NET POSITION</b>	<b>58,866</b>	<b>12,244</b>	<b>145,392</b>	<b>216,502</b>
<b>NET POSITION, <i>beginning of year</i></b>	<b><u>4,586,499</u></b>	<b><u>1,309,896</u></b>	<b><u>7,055,448</u></b>	<b><u>12,951,843</u></b>
<b>NET POSITION, <i>end of year</i></b>	<b><u>\$ 4,645,365</u></b>	<b><u>\$ 1,322,140</u></b>	<b><u>\$ 7,200,840</u></b>	<b><u>\$ 13,168,345</u></b>

# Incorporated Village of Greenport, New York

## Statement of Cash Flows - Proprietary Funds

	Year Ended May 31, 2020			
	Electric Fund	Water Fund	Sewer Fund	Total
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Cash received from providing services	\$ 3,584,768	\$ 463,095	\$ 1,519,358	\$ 5,567,221
Cash payments for contractual expenses	(2,004,680)	(155,540)	(457,497)	(2,617,717)
Cash payments for personal services and benefits	(946,927)	(179,209)	(809,125)	(1,935,261)
	<u>633,161</u>	<u>128,346</u>	<u>252,736</u>	<u>1,014,243</u>
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Other activities	-	10,680	322,644	333,324
Sales tax revenues	-	-	26,984	26,984
Transfers to governmental activities	(88,000)	(12,240)	(18,360)	(118,600)
	<u>(88,000)</u>	<u>(1,560)</u>	<u>331,268</u>	<u>241,708</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on bonds	(183,500)	-	(63,000)	(246,500)
Principal payments on loans	-	-	(59,200)	(59,200)
Interest expense	(101,310)	-	(5,267)	(106,577)
Acquisition of capital assets	(161,745)	(14,620)	(183,928)	(360,293)
	<u>(446,555)</u>	<u>(14,620)</u>	<u>(311,395)</u>	<u>(772,570)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>				
Interest income	1,281	2,628	3,567	7,476
	<u>99,887</u>	<u>114,794</u>	<u>276,176</u>	<u>490,857</u>
<b>Net increase in cash and cash equivalents</b>	<b>99,887</b>	<b>114,794</b>	<b>276,176</b>	<b>490,857</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>3,327,351</b>	<b>910,888</b>	<b>2,235,830</b>	<b>6,474,069</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 3,427,238</u></b>	<b><u>\$ 1,025,682</u></b>	<b><u>\$ 2,512,006</u></b>	<b><u>\$ 6,964,926</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 246,198	\$ 11,176	\$ (184,365)	\$ 73,009
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	303,291	27,585	263,505	594,381
Bad debt expense	-	707	5,852	6,559
Change in assets and liabilities				
Prepaid expenses	22,168	8,832	14,710	45,710
Accounts receivable	(146,564)	(13,501)	(170)	(160,235)
Inventory	1,035	22,444	221	23,700
Due from other funds	-	19,011	10,105	29,116
Deferred outflows of resources	(271,228)	(38,747)	(116,241)	(426,216)
Accounts payable	2,175	22,088	20,114	44,377
Accrued expenses	(3,409)	(144)	1,028	(2,525)
Due to other funds	(10,000)	4	22	(9,974)
Accrued compensated absences	27,709	112	21,101	48,922
Customer deposits	1,553	-	-	1,553
Net pension liability	417,995	59,713	179,140	656,848
Deferred inflows of resources	(38,993)	(5,570)	(16,712)	(61,275)
Other postemployment benefits	81,574	14,685	54,573	150,832
Due to New York State retirement system	(343)	(49)	(147)	(539)
	<u>\$ 633,161</u>	<u>\$ 128,346</u>	<u>\$ 252,736</u>	<u>\$ 1,014,243</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Greenport, New York

## Statement of Net Position - Fiduciary Fund

	<u>May 31, 2020</u>
	<u>Trust and Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 415,518
Due from other funds	82
	<hr/>
Total assets	<b><u>\$ 415,600</u></b>
<b>LIABILITIES</b>	
Agency liabilities	<b><u>\$ 415,600</u></b>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

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

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

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

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

#### *a. Financial Reporting Entity*

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

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

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

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

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

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

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

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

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or collected within twelve months of the end of the current fiscal period. Receivables not expected to be collected within the next twelve months are offset by deferred inflows of resources. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of items such as debt service, compensated absences, and claims and judgments that are 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, 2020

### 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 requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses/expenditures, and other financing sources (uses) during the reporting period. Actual results could differ from those estimates.

#### *e. 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.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *e. Cash and Cash Equivalents - Continued*

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 a Federal Deposit Insurance Corporation (FDIC) insured commercial bank or trust company authorized to do business in New York State. Other permissible investments include obligations of the U.S. Treasury, U.S. Agencies, and New York State or its localities.

The Village is required to collateralize its cash deposits in excess of the FDIC 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, 2020, 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, and (3) customer deposits.

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.

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

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

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

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

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

#### *h. 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:

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *h. Accounts Receivable - Continued*

Electric Fund	<u>\$ 278,339</u>
Sewer Fund	<u>\$ 34,310</u>
Water Fund	<u>\$ 6,512</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.

#### *i. Inventory*

Inventory of the Electric, Sewer and Water Funds consists of components, parts, and tools held for consumption. Inventory of the Electric Fund is valued at the lower of cost or market, with cost determined using a rolling average unit cost method. Inventory materials recovered and returned to stock in construction, maintenance, or the retirement of operating property are valued at current replacement prices. Inventory of the Sewer and Water Funds is stated at the lower of average cost or market. Each year, the inventory is reviewed for obsolescence, and an adjustment is made to record the affected inventory item at its fair value. There were no obsolete inventory items identified in these funds as of May 31, 2020.

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

#### *j. Capital Assets*

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

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2020.

#### *Governmental Activities and Funds*

Capital assets in governmental activities consist of land, buildings, machinery and equipment, vehicles, and infrastructure with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year 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. Capital outlays for the acquisition of capital assets are recorded in governmental funds as expenditures.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *j. Capital Assets - Continued*

##### *Electric Fund*

Capital assets of the Electric Fund include buildings, vehicles, and transmission, and other operational equipment. 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 the Federal Energy Regulation Commission (FERC) and NYPA.

##### *Water and Sewer Funds*

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

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

##### Water Fund

Machinery and equipment	5-15 years
Vehicles	5 years
Distribution, transmission, and other operational equipment	20-100 years

##### Sewer Fund

Buildings	25-40 years
Machinery and equipment	10-25 years
Vehicles	5 years
Distribution, transmission, and other operational equipment	50-100 years

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

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

Pension and LOSAP related deferred outflows of resources and deferred inflows of resources are disclosed in Notes 8 and 10, respectively. Other postemployment benefit deferred outflows of resources and deferred inflows of resources, if any, are disclosed in Note 9.

The Village reports deferred inflows of resources for other unavailable resources in the governmental funds related to amounts received that do not meet the availability criterion for revenue recognition. Other unavailable resources are deferred and recognized as an inflow of resources in the period that the amounts become available.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *l. Unearned Revenues*

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported \$403,324 for property tax payments received in advance, \$284,180 for unpaid Village taxes and charges for services, \$472,864 for fire protection services to other governments received in advance, \$126,975 for recreation and permit fees received in advance, and \$57,654 for building permit fees received in advance.

Unearned revenues in the government-wide financial statements consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met. The unearned revenues described above for the fund financial statements are also unearned revenues in the government-wide financial statements. In addition, during 2018, the Village and the Long Island Power Authority (LIPA) entered into a utility easement agreement. Pursuant to the agreement, the Village granted LIPA the rights to operate an underground electric line within Village limits. In exchange, the Village received a licensing fee totaling \$1,350,333. The agreement became effective in June 2017 and expires in June 2067. Accordingly, during the year ended May 31, 2020, the Village recognized revenues of \$27,007 related to the agreement in the government-wide financial statements. Unearned revenues related to the agreement in the government-wide financial statements total \$1,269,313 at May 31, 2020.

#### *m. Employee Benefits*

##### *Compensated Absences*

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

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

The liability for compensated absences was as follows:

Governmental funds	\$ 119,654
Proprietary funds	<u>202,556</u>
	<u><u>\$ 322,210</u></u>

##### *Postretirement Benefits*

The Village recognizes in its financial statements the financial impact of other postemployment benefits, principally employer funded health care costs. The impact on the Village's financial positions and results of operations is more fully disclosed in Note 9.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *m. Employee Benefits - Continued*

##### *Net Pension Liability*

The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System, as further discussed in Note 8. The Village reports its proportionate share of the net pension liability, deferred outflows and inflows of resources, and related expenses on the accrual basis of accounting in the government-wide financial statements.

##### *LOSAP Obligations*

The Village sponsors a separate LOSAP plan for volunteer firefighters, as further discussed in Note 10. LOSAP obligations are actuarially determined and reported on the accrual basis of accounting in the government-wide statement of net position.

#### *n. 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 1e.

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

#### *o. 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, 2020

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

*o. 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 5 provides further details regarding the Village's fund balance classifications.

*p. 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.

*q. Prior Period Restatement*

The financial statements of the Village as of May 31, 2019 contained an understatement of unearned revenue in the General Fund and Governmental Activities and related overstatement of fund balance and net position, respectively. As a result of this correction of a misstatement, the Village has restated unearned revenue, fund balance and net position as of May 31, 2019 as follows:

	As Originally Stated	Correction of Misstatement	As Restated
<i>General Fund</i>			
Unearned revenue	\$ 1,115,995	\$ 255,828	\$ 1,371,823
Fund balance	4,864,454	(255,828)	4,608,626
<i>Governmental Activities</i>			
Unearned revenue, current portion	1,115,995	255,828	1,371,823
Net position	5,496,616	(255,828)	5,240,788

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

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

#### *r. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through December 5, 2020 the date the financial statements were available to be issued.

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

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

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:

No later than March 20, the budget officer submits a tentative budget to the Village Clerk for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all operating funds for the Village.

- i. After a public hearing is conducted to obtain taxpayer comments, but no later than May 1, the Village adopts the budget.
- ii. 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.
- iii. 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.



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 3 - Capital Assets

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

	Balance at June 1, 2019	Additions	Disposals	Balance at May 31, 2020
<i>Depreciable assets</i>				
Buildings	\$ 5,307,343	\$ -	\$ -	\$ 5,307,343
Machinery and equipment	8,299,451	149,953	-	8,449,404
Infrastructure	8,842,288	433,311	-	9,275,599
Vehicles	1,723,249	708,000	(420,268)	2,010,981
	<u>24,172,331</u>	<u>1,291,264</u>	<u>(420,268)</u>	<u>25,043,327</u>
Accumulated depreciation	(14,405,644)	(710,628)	420,268	(14,696,004)
Total depreciable assets, net	<u>9,766,687</u>	<u>580,636</u>	<u>-</u>	<u>10,347,323</u>
<i>Non-depreciable assets</i>				
Land	2,687,935	-	-	2,687,935
Total capital assets, net	<u>\$ 12,454,622</u>	<u>\$ 580,636</u>	<u>\$ -</u>	<u>\$ 13,035,258</u>

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

	May 31, 2020			
	Electric Fund	Water Fund	Sewer Fund	Total
<i>Depreciable assets</i>				
Buildings	\$ 546,770	\$ -	\$ 1,208,410	\$ 1,755,180
Machinery and equipment	-	594,476	4,175,743	4,770,219
Vehicles	577,734	105,021	51,085	733,840
Distribution, transmission, and other operational equipment	12,254,158	905,204	9,238,666	22,398,028
	<u>13,378,662</u>	<u>1,604,701</u>	<u>14,673,904</u>	<u>29,657,267</u>
Accumulated depreciation	(6,306,293)	(823,290)	(6,513,107)	(13,642,690)
Total depreciable assets, net	<u>7,072,369</u>	<u>781,411</u>	<u>8,160,797</u>	<u>16,014,577</u>
<i>Non-depreciable assets</i>				
Land	500	-	22,250	22,750
Construction in progress	22,756	-	-	22,756
Total non-depreciable assets, net	<u>23,256</u>	<u>-</u>	<u>22,250</u>	<u>45,506</u>
Total capital assets, net	<u>\$ 7,095,625</u>	<u>\$ 781,411</u>	<u>\$ 8,183,047</u>	<u>\$ 16,060,083</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 3 - Capital Assets - Continued

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

	Balance at June 1, 2019	Additions	Retirements or Disposals	Balance at May 31, 2020
<i>Depreciable assets</i>				
Buildings	\$ 1,631,155	\$ 124,025	\$ -	\$ 1,755,180
Machinery and equipment	4,708,140	62,079	-	4,770,219
Vehicles	733,840	-	-	733,840
Distribution, transmission, and other operational equipment	<u>22,246,597</u>	<u>151,431</u>	<u>-</u>	<u>22,398,028</u>
	29,319,732	337,535	-	29,657,267
Accumulated depreciation	<u>(13,048,309)</u>	<u>(594,381)</u>	<u>-</u>	<u>(13,642,690)</u>
Total depreciable assets, net	<u>16,271,423</u>	<u>(256,846)</u>	<u>-</u>	<u>16,014,577</u>
<i>Non-depreciable assets</i>				
Land	22,750	-	-	22,750
Construction in progress	<u>-</u>	<u>22,756</u>	<u>-</u>	<u>22,756</u>
Total non-depreciable assets, net	<u>22,750</u>	<u>22,756</u>	<u>-</u>	<u>45,506</u>
Total capital assets, net	<u>\$ 16,294,173</u>	<u>\$ (234,090)</u>	<u>\$ -</u>	<u>\$ 16,060,083</u>

### Note 4 - Bonds and State Loan Payable

A summary of changes in bonds payable is as follows:

	May 31, 2020			
	General Fund	Sewer Fund	Electric Fund	Total
Bonds payable, June 1, 2019	\$ 2,997,500	\$ 129,000	\$ 2,702,500	\$ 5,829,000
Repayments	<u>(376,500)</u>	<u>(63,000)</u>	<u>(183,500)</u>	<u>(623,000)</u>
Bonds payable, May 31, 2020	<u>\$ 2,621,000</u>	<u>\$ 66,000</u>	<u>\$ 2,519,000</u>	<u>\$ 5,206,000</u>

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

	June 1, 2019	Issuances	Repayments	May 31, 2020
EFC Loan - Sewer Fund	<u>\$ 1,477,611</u>	<u>\$ -</u>	<u>\$ (59,200)</u>	<u>\$ 1,418,411</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 4 - Bonds and State Loan Payable - Continued

A summary of the Village's bond and loan issues at May 31, 2020 is as follows:

Description	Issue Date	Maturity Date	Interest Rate	Balance
<b>General Fund</b>				
2012 Public Improvement Serial Bond	6/2012	8/2020	2.000% to 2.250%	\$ 21,000
2012 Public Improvement Serial Bond	6/2012	8/2023	2.000% to 2.750%	925,000
2014 Public Improvement Serial Bond	1/2014	4/2042	2.250% to 4.250%	370,000
2017 Public Improvement Serial Bond	8/2017	8/2027	2.125% to 2.750%	665,000
2018 Public Improvement Serial Bond	8/2018	8/2039	3.500% to 3.750%	640,000
				<u>2,621,000</u>
<b>Sewer Fund</b>				
EFC Loan Payable	12/2013	12/2043	0.000%	1,418,411
2002 Public Improvement Serial Bond	8/2002	9/2020	1.930% to 5.220%	66,000
				<u>1,484,411</u>
<b>Electric Fund</b>				
2012 Public Improvement Serial Bond	6/2012	8/2019	2.000% to 2.125%	9,000
2014 Public Improvement Serial Bond	1/2014	4/2042	2.250% to 4.250%	2,510,000
				<u>2,519,000</u>
Total bonds and state loans payable				<u>\$ 6,624,411</u>

Interest expense on General Fund debt was \$90,053 for the year ended May 31, 2020. Interest expense on Electric Fund and Sewer Fund debt was \$100,613 and \$5,078, respectively, for the year ended May 31, 2020.

The Village's debt limit is approximately \$31.8 million, of which the Village has total outstanding debt obligations of approximately \$5.2 million, leaving a net debt contracting margin of approximately \$26.6 million.

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

	Bond Principal	EFC Loan Principal	Bond Interest	Total
For the year ending May 31,				
2021	\$ 531,000	\$ 59,200	\$ 184,244	\$ 774,444
2022	450,000	59,200	160,206	669,406
2023	465,000	59,200	145,744	669,944
2024	470,000	59,200	133,762	662,962
2025	240,000	59,200	123,000	422,200
2026 through 2030	1,065,000	296,000	477,173	1,838,173
2031 through 2035	760,000	296,000	324,219	1,380,219
2036 through 2040	895,000	296,000	204,966	1,395,966
2041 through 2044	330,000	234,411	55,356	619,767
	<u>\$ 5,206,000</u>	<u>\$ 1,418,411</u>	<u>\$ 1,808,670</u>	<u>\$ 8,433,081</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 5 - Fund Balance

Fund balance is as follows:

	General	Community Development	Capital Projects	Housing Authority
Restricted				
Capital reserve	\$ 33	\$ -	\$ -	\$ -
Length of service program awards	2,924,142	-	-	-
	<u>2,924,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted				
Assigned for				
Capital purposes	-	-	132,655	-
Special revenue purposes	-	271,412	-	24,887
Unassigned	1,035,073	-	-	-
	<u>1,035,073</u>	<u>271,412</u>	<u>132,655</u>	<u>24,887</u>
Total fund balance	<u>\$ 3,959,248</u>	<u>\$ 271,412</u>	<u>\$ 132,655</u>	<u>\$ 24,887</u>

### Note 6 - Interfund Transactions

Interfund balances are as follows at May 31, 2020:

Fund	Interfund Receivables	Interfund Payables
General	\$ 426	\$ 177,675
Community Development	11,830	-
Housing Authority	-	11,830
Capital Projects	122,200	426
Electric	-	44,234
Water	60,623	4
Sewer	39,030	22
Trust and Agency	82	-
	<u>\$ 234,191</u>	<u>\$ 234,191</u>

### Note 7 - Changes in Long-Term Liabilities

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

Change in long-term liabilities - governmental activities:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 83,993	\$ 44,060	\$ 8,399	\$ 119,654	\$ 11,966
Other postemployment benefits	3,426,715	565,466	471,575	3,520,606	-
Net pension liability	218,021	654,899	117,477	755,443	-
Unearned revenues	1,296,320	-	27,007	1,269,313	27,007
Length of service award program obligations	4,849,454	504,352	228,219	5,125,587	-
Bonds payable	2,997,500	-	376,500	2,621,000	381,000
Total	<u>\$ 12,872,003</u>	<u>\$ 1,768,777</u>	<u>\$ 1,229,177</u>	<u>\$ 13,411,603</u>	<u>\$ 419,973</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 7 - Changes in Long-Term Liabilities - Continued

Change in long-term liabilities - business type activities:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 153,634	\$ 64,285	\$ 15,363	\$ 202,556	\$ 20,256
Other postemployment benefits	5,504,773	908,384	757,552	5,655,605	-
Net pension liability	266,471	800,430	143,582	923,319	-
State loan payable	1,477,611	-	59,200	1,418,411	59,200
Bonds payable	<u>2,831,500</u>	<u>-</u>	<u>246,500</u>	<u>2,585,000</u>	<u>150,000</u>
Total	<u>\$ 10,233,989</u>	<u>\$ 1,773,099</u>	<u>\$ 1,222,197</u>	<u>\$ 10,784,891</u>	<u>\$ 229,456</u>

### Note 8 - New York State Retirement System

#### a. Plan Description

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

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

#### b. Plan Benefits

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

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 8 - New York State Retirement System - Continued

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

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

Typically, the benefit for members in all Tiers is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 2 member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20 percent of the previous year (Tier 1) or no more than 20 percent of the average of the previous two years (Tier 2). For Tier 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10 percent of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

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

#### *c. Funding Policy*

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 8 - New York State Retirement System - Continued

*c. Funding Policy - Continued*

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for the fiscal year ended March 31, 2020 was approximately 14.6 percent of payroll.

The Village's contributions for the current year and two preceding years were as follows:

2019	\$	261,059
2018		266,939
2017		268,408

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

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

At May 31, 2020, the Village reported a total liability of \$1,678,762 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The Village's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date.

At the March 31, 2020, measurement date, the Village's proportionate share in the System was 0.0063396%.

For the year ended May 31, 2020, the Village recognized pension expense of \$561,490. At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,461	\$ -
Changes of assumptions	15,211	13,135
Net differences between projected and actual investment earnings on pension plan investments	387,278	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,136	16,697
Pension contributions subsequent to the measurement date	19,579	-
Total	\$ 471,665	\$ 29,832

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 8 - New York State Retirement System - Continued

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

	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,341	\$ -
Changes of assumptions	18,591	16,053
Net differences between projected and actual investment earnings on pension plan investments	473,339	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,278	20,409
Pension contributions subsequent to the measurement date	23,930	-
Total	\$ 576,479	\$ 36,462

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business Type-Activities	Total
Year ending May 31,			
2021	\$ 69,195	\$ 84,572	\$ 153,767
2022	105,396	128,817	234,213
2023	137,271	167,775	305,046
2024	110,392	134,923	245,315
Total	\$ 422,254	\$ 516,087	\$ 938,341

#### *Actuarial Assumptions*

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Aggregate Cost Method
Inflation Rate	2.50%
Salary Scale	3.80%, indexed by service
Investment rate of return	6.8% compounded annually, net of investment expenses
Decrement	Developed from the Plan's 2010 experience study for the period April 1, 2011 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 8 - New York State Retirement System - Continued

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

#### *Actuarial Assumptions - Continued*

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

Actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

#### *Investment Asset Allocation*

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-Indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 8 - New York State Retirement System - Continued

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

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Discount (6.8%)</u>	<u>1% Increase (7.8%)</u>
Village's proportionate share of the net pension liability	<u>\$ 3,081,044</u>	<u>\$ 1,678,762</u>	<u>\$ 387,293</u>
Proprietary activities	\$ 1,694,574	\$ 923,319	\$ 213,011
Governmental activities	<u>1,386,470</u>	<u>755,443</u>	<u>174,282</u>
	<u>\$ 3,081,044</u>	<u>\$ 1,678,762</u>	<u>\$ 387,293</u>

#### *Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows (amounts in thousands):

Employers' total pension liability	\$ 194,596,261
Plan net position	<u>(168,115,682)</u>
Employers' net pension liability	<u>\$ 26,480,579</u>
Ratio of plan net position to the employers' total pension liability	<u>86.39%</u>

### Note 9 - Other Postemployment Benefits (OPEB)

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

A summary of active and retired employees covered under the plan as of the May 31, 2020 measurement date is as follows:

	Number of Subscribers
Active	37
Retired	25
Surviving beneficiaries	2
Total	64

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.

The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. The plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the plan.

At May 31, 2020, the Village reported a liability of \$3,520,606 and \$5,655,605 for its OPEB liability in the governmental activities and business-type activities, respectively. The OPEB liability was measured as of May 31, 2020 by an actuarial valuation using census data information as of that date. For the year ended May 31, 2020, the Village recognized OPEB expense of \$565,466 and \$908,384 in the governmental activities and business-type activities, respectively.

The OPEB liability at May 31, 2020 was determined using the following actuarial assumptions:

Assumptions	Factor
Age adjustment factor	1
Average retirement age	63
Future contribution strategy	Remain a level % of the total cost over time
Actuarial cost method	Entry age
Amortization method	Level of percent of payroll
Discount rate	2.50%
Projected salary increases	3.00%
Participant percent	100.00%
Mortality table	RP2000 mortality table or males and females projected 18 years
Turnover assumption	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System
Healthcare trend rates	Year 1: 3.00% - 7.60% Year 2: 3.00% - 6.20% Year 3: 3.00% - 4.90% Year 4-6: 3.00% - 4.80% Thereafter: 3.00% - 4.80%

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

The discount rate used to measure the OPEB liability was based on the Bond Buyer 20-year general obligation bond index.

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost sharing provisions then in effect.

Changes in the OPEB liability are as follows:

	Governmental Activities	Business-type Activities	Total
June 1, 2019	\$ 3,426,715	\$ 5,504,773	\$ 8,931,488
Changes for the year			
Service cost	169,037	271,547	440,584
Interest cost	104,065	167,174	271,239
Economic/demographic gains	(101,253)	(162,656)	(263,909)
Change of assumption or inputs	292,364	469,663	762,027
Benefit payments	(370,322)	(594,896)	(965,218)
Net changes for the year	93,891	150,832	244,723
May 31, 2020	<u>\$ 3,520,606</u>	<u>\$ 5,655,605</u>	<u>\$ 9,176,211</u>

The following presents the OPEB liability of the plan as of May 31, 2020 using the current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% higher or 1% lower than the current rates:

	1% Decrease	Current Rates	1% Increase
OPEB liability	<u>\$ 7,772,001</u>	<u>\$ 9,176,211</u>	<u>\$ 10,955,870</u>
Governmental activities	\$ 2,981,858	\$ 3,520,606	\$ 4,203,402
Business-type activities	<u>\$ 4,790,143</u>	<u>5,655,605</u>	<u>6,752,468</u>
	<u>\$ 7,772,001</u>	<u>\$ 9,176,211</u>	<u>\$ 10,955,870</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

The following presents the OPEB liability of the plan as of May 31, 2020 using the current discount rate of 2.50%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 1.50%	Current Rate 2.50%	1% Increase 3.50%
OPEB liability	\$ 10,845,010	\$ 9,176,211	\$ 7,858,297
Governmental activities	\$ 4,160,869	\$ 3,520,606	\$ 3,014,967
Business-type activities	6,684,141	5,655,605	4,843,330
	\$ 10,845,010	\$ 9,176,211	\$ 7,858,297

### Note 10 - 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, 2020. 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, 2019. The actuarial calculations are as of January 1, 2019, using the beginning of the year valuation method.

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

A defined benefit service awards program for the active members of the Village of Greenport Fire Department was established effective January 1, 1994. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded, deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The LOSAP is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors.

The Village accounts for LOSAP assets as restricted investments in the General Fund. Benefit payments are recognized as an expenditure within the General Fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted General Fund assets to the rabbi/grantor trust (restricted investments). See Note 12 for fair value measurement disclosures on the LOSAP assets.

#### *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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 10 - Volunteer Firefighter Service Award Program

#### *Defined Benefit Program Description - Continued*

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

on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of active volunteer firefighting service rendered prior to the establishment of this program. Participants who become unable to earn 50 points per year due to an injury sustained while performing a line of duty activity covered by the Volunteer Firefighters Benefit Law will be credited with five points for each full month during which they are disabled.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Village Board created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Village Attorney. The Village Board is the program trustee.

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 number of employees covered under the program are as follows:

	<u>Number of Subscribers</u>
Inactive participants currently receiving benefit payments	50
Inactive participants entitled to but not yet receiving benefit payments	25
Active participants	<u>60</u>
Total	<u><u>135</u></u>

##### *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.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 10 - Volunteer Firefighter Service Award Program

#### *Defined Benefit Program Description - Continued*

#### *c. Actuarial Assumptions*

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

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

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

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

Discount rate	3.26%, derived from S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.
Mortality rates	RP-2014 Male Mortality Table without projection for mortality improvement.
Actuarial cost method	Entry Age Normal.
Inflation	2.25%
Salary scale	None assumed.

#### *d. Measurement of Total LOSAP Pension Liability*

The total pension liability at May 31, 2020 was determined using an actuarial valuation as of December 31, 2019. The following table presents the changes in total LOSAP pension liability for the program:

Beginning balance	\$ 4,849,454
Service cost	91,867
Interest	175,804
Changes of assumptions and other inputs	236,681
Differences between expected and actual experience	(5,137)
Benefit payments	<u>(223,082)</u>
Ending balance	<u>\$ 5,125,587</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 10 - Volunteer Firefighter Service Award Program

*Defined Benefit Program Description - Continued*

*d. Measurement of Total LOSAP Pension Liability - Continued*

The discount rate used to measure the total LOSAP pension liability is 3.26%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019. In describing this index, S&P Down Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

The following presents the total LOSAP pension liability of the Village as of May 31, 2020 calculated using the discount rate of 3.26 percent, as well as what the Village's total LOSAP pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Current Discount (3.26%)	1% Increase (4.26%)
Length of service award program obligations	\$ 5,834,074	\$ 5,125,587	\$ 4,535,790

*e. LOSAP Pension Expense and Deferred Outflows and Deferred Inflows of Resources*

For the year ended May 31, 2020, the Village recognized LOSAP pension expense of \$330,025. The following table presents the components of LOSAP pension expense:

Components of pension expense			
Service cost		\$	91,867
Interest			175,804
Changes of assumptions and other inputs			43,230
Differences between expected and actual experience			10,332
LOSAP pension plan administrative expenses			8,792
			\$ 330,025

At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,256	\$ 4,203
Changes of assumptions or other inputs	358,278	199,875
Benefit payments and administrative expenses subsequent to the measurement date	86,302	-
	\$ 487,836	\$ 204,078



# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 10 - Volunteer Firefighter Service Award Program - Continued

#### *Defined Benefit Program Description - Continued*

#### *e. LOSAP Pension Expense and Deferred Outflows and Deferred Inflows of Resources - Continued*

Benefit payments and administrative expenses incurred subsequent to the measurement date (contributions) will be recognized as a reduction of the total LOSAP pension liability in the year ending May 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the program will be recognized as LOSAP pension expense as follows:

Year ending May 31,		
2021	\$	53,561
2022		53,561
2023		53,561
2024		15,723
2025		21,050
		<hr/>
	\$	<u>197,456</u>

### Note 11 - Commitments, Contingencies, Risks, and Uncertainties

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

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

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

#### *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, 2020, which could affect future operating budgets of the Village.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### **Note 11 - Commitments, Contingencies, Risks, and Uncertainties - Continued**

#### *d. Risk and Uncertainties*

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

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

#### *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.

#### *g. COVID-19 Pandemic*

The Village's operations are affected by the ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Village's financial position. Possible effects in future periods include, but are not limited to, reductions in sales tax revenues, reduction of recreation and permit revenues and increased expenses resulting directly from implementing safety protocols.

### **Note 12 - Fair Value Measurements**

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of inputs used to measure fair value are as follows:

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

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 12 - Fair Value Measurements - Continued

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Cash and cash equivalents: The carrying amount approximates fair value because of the short maturity of the instruments.

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

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

The following table summarizes as of May 31, 2020, the Village's restricted investments and categorization within the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 316,002	\$ -	\$ -	\$ 316,002
Exchange traded funds				
United States equity	782,094	-	-	782,094
International equity	303,507	-	-	303,507
United States fixed income	839,168	-	-	839,168
International fixed income	96,205	-	-	96,205
Equity/fixed income blend	587,166	-	-	587,166
	<u>\$ 2,336,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,924,142</u>

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### **Note 13 - Accounting Pronouncements Issued But Not Yet Implemented**

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement establishes criteria for determining the timing and pattern of recognition for a liability and corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2019.

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines-of-credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### **Note 13 - Accounting Pronouncements Issued But Not Yet Implemented -Continued**

GASB Statement No. 90, *Majority Equity Interests*. This statement will provide financial reporting users with information related to the presentation of majority equity interests in legally separate organizations. In addition, this statement requires the reporting of information about component units if the government acquires a 100% equity interest about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implication that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements relating to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can

# Incorporated Village of Greenport, New York

## Notes to Financial Statements May 31, 2020

### Note 13 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and Supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

# 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, 2020			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real property taxes	\$ 1,077,490	\$ 1,077,490	\$ 1,077,298	\$ (192)
Real property tax items	68,900	68,900	14,663	(54,237)
Departmental revenues	1,311,500	1,311,500	1,199,357	(112,143)
Intergovernmental charges	810,626	810,626	802,135	(8,491)
Rental of real property	884,000	884,000	957,252	73,252
Use of money and property	2,100	2,100	140,234	138,134
Licenses and permits	50,282	50,282	57,846	7,564
Miscellaneous local sources	41,500	41,500	76,081	34,581
Other revenues	90,800	90,800	104,339	13,539
State aid	79,855	79,855	117,685	37,830
Total revenues	4,417,053	4,417,053	4,546,890	129,837
<b>EXPENDITURES</b>				
General government support	591,236	595,044	501,566	93,478
Public safety	1,306,438	2,160,958	1,745,409	415,549
Health	7,900	7,900	7,399	501
Transportation	718,625	758,796	711,258	47,538
Culture and recreation	859,809	868,501	894,141	(25,640)
Home and community service	133,000	135,190	174,149	(38,959)
Employee benefits	767,900	767,900	692,193	75,707
Debt service				
Principal	376,500	376,500	376,500	-
Interest	89,245	89,245	90,053	(808)
Total expenditures	4,850,653	5,760,034	5,192,668	567,366
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(433,600)</b>	<b>(1,342,981)</b>	<b>(645,778)</b>	<b>697,203</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated interfund transfer in	433,600	433,600	118,600	(315,000)
Appropriated interfund transfer out	-	(122,200)	(122,200)	-
Total other financing sources (uses)	433,600	311,400	(3,600)	(315,000)
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ (1,031,581)</b>	(649,378)	<b>\$ 382,203</b>
<b>FUND BALANCE, beginning of year, as restated</b>			4,608,626	
<b>FUND BALANCE, end of year</b>			<b>\$ 3,959,248</b>	

See Independent Auditor's Report.

## Incorporated Village of Greenport, New York

### Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	May 31, 2020	May 31, 2019
Beginning of the year	\$ 8,931,488	\$ 7,650,786
Changes for the year		
Service cost	440,584	359,863
Interest cost	271,239	277,380
Economic/demographic (gains)/losses	(263,909)	844,081
Change of assumption or inputs	762,027	795,542
Benefit payments	(965,218)	(996,164)
Net changes for the year	244,723	1,280,702
End of the year	\$ 9,176,211	\$ 8,931,488
Covered payroll	\$ 1,965,336	\$ 1,926,802
OPEB liability as a percentage of covered payroll	467%	464%

Schedule is intended to show information for 10 years. Data not available prior to the 2019 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.



## Incorporated Village of Greenport, New York

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

<u>System</u>	<u>May 31,</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Village's proportion of the net pension liability	0.0063396%	0.0068380%	0.0066802%	0.0066666%	0.0065355%
Village's proportionate share of the net pension liability	\$ 1,678,762	\$ 484,492	\$ 215,600	\$ 626,410	\$ 1,048,963
Village's covered-employee payroll	2,061,856	2,133,264	1,987,602	1,843,135	1,697,221
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	81.42%	22.71%	10.85%	33.99%	61.80%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%

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

# Incorporated Village of Greenport, New York

## Required Supplementary Information Schedule of Pension Contributions

	Years Ended May 31,								
	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 261,059	\$ 266,939	\$ 268,408	\$ 255,662	\$ 273,582	\$ 286,427	\$ 302,953	\$ 306,161	\$ 206,091
Contributions in relation to the contractually required contribution	261,059	266,939	268,408	255,662	273,582	286,427	302,953	306,161	206,091
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Village's covered-employee payroll	2,061,856	2,133,264	1,987,602	1,843,135	1,697,221	1,763,872	1,717,677	1,704,229	1,506,103
Contributions as a percentage of covered-employee payroll	12.66%	12.51%	13.50%	13.87%	16.12%	16.24%	17.64%	17.96%	13.68%

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

# Incorporated Village of Greenport, New York

## Required Supplementary Information Schedule of Pension Liability - LOSAP

Measurement date as of December 31,	2019	2018	2017
<b>Total pension liability</b>			
Service cost	\$ 91,867	\$ 96,642	\$ 95,223
Interest	175,804	150,619	162,867
Change of benefit terms	-	271,020	-
Changes of assumptions and other inputs	236,681	(302,374)	318,970
Differences between expected and actual experience	(5,137)	60,737	6,021
Benefit payments	<u>(223,082)</u>	<u>(193,940)</u>	<u>(222,120)</u>
Net change in total pension liability	276,133	82,704	360,961
<b>Total pension liability, <i>beginning</i></b>	<u>4,849,454</u>	<u>4,766,750</u>	<u>4,405,789</u>
<b>Total pension liability, <i>ending</i></b>	<u>\$ 5,125,587</u>	<u>\$ 4,849,454</u>	<u>\$ 4,766,750</u>
<b>Covered payroll</b>	None	None	None
<b>Total pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A

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