



INCORPORATED VILLAGE OF GREENPORT

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS**

May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Incorporated Village of Greenport
Greenport, New York

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Incorporated Village of Greenport, as of May 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the Village's proportionate share of the net pension asset/(liability), schedule of Village pension contributions, schedule of the Village's proportionate share of the length of service award program liability, and schedule of changes in the Village's total OPEB liability and related ratios on pages 4 through 16 and 52 through 60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023 on our consideration of the Incorporated Village of Greenport'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 Incorporated Village of Greenport'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 Incorporated Village of Greenport's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

February 7, 2023

**INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The Village’s total net position for its governmental activities, as reflected in the government-wide financial statements, decreased by \$3,893 to \$5,562,345, as expenses exceeded revenues and other items using the economic resources measurement focus and the accrual basis of accounting. The total net position for its business-type activities, as reflected in the government-wide financial statements, increased by \$2,451,440 to \$15,658,827.
- The general fund’s total fund balance, as reflected in the fund financial statements, increased by \$503,312 to \$5,438,483 as of May 31, 2022, as revenues and other financing sources exceeded expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting.
- The Village’s 2021-2022 property tax levy of \$1,107,258 was a 2.95% increase over the 2020-2021 levy. The 2021-2022 tax levy was below the tax cap of 7.64% and complied with the tax cap law.
- On October 21, 2021, the Village issued \$1,980,000 of Public Improvement (Serial) Bonds. The funds will be used for curb improvements, road paving, and to design and construct a new sanitary pump station.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. Government-Wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

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

B. Fund Financial Statements

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

Governmental Funds

The governmental funds statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the Village incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, claims and judgments, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

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

The Village maintains four governmental funds – the general fund, community development fund, capital projects fund, and housing authority fund. Information is presented in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary Funds

The Village maintains one type of proprietary fund, which is comprised of enterprise funds. Enterprise funds report the same information as the business-type activities in the government-wide financial statements only in more detail. The Village uses enterprise funds to account for its electric fund, water fund and sewer fund, all of which are considered to be major funds of the Village and are presented separately in the proprietary fund financial statements. The proprietary fund utilizes the economic resources measurement focus and the accrual basis of accounting.

C. Notes to 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.

D. Other Information

In addition to the financial statements and accompanying notes, this report presents required supplementary information immediately following the notes to financial statements.

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total governmental activities net position decreased by \$3,893 and the business-type activities net position increased by \$2,451,440 between fiscal year 2022 and 2021. These changes are due to expenses exceeding revenues and other items using the economic resources measurement focus and the accrual basis of accounting for the governmental activities and revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting for the business-type activities. A summary of the Village's Statements of Net Position follows:

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	As Restated 2021
Assets						
Current and Other Assets	\$ 8,449,805	\$ 7,592,995	\$ 7,844,491	\$ 8,133,279	\$ 16,294,296	\$ 15,726,274
Capital Assets, Net	13,361,951	12,766,601	19,790,601	15,636,983	33,152,552	28,403,584
Net Pension Assets -						
Proportionate Share	248,018	-	303,134	-	551,152	-
Total Assets	22,059,774	20,359,596	27,938,226	23,770,262	49,998,000	44,129,858
Deferred Outflows of Resources						
	1,402,189	1,919,980	576,628	821,136	1,978,817	2,741,116
Liabilities						
Current and Other Liabilities	2,419,051	2,156,366	1,084,928	456,595	3,503,979	2,612,961
Long-Term Liabilities	4,382,632	3,577,748	4,606,881	3,956,145	8,989,513	7,533,893
Net Pension Liability -						
Proportionate Share	-	3,150	-	3,850	-	7,000
LOSAP	6,104,213	6,263,093	-	-	6,104,213	6,263,093
Total OPEB Liability	3,792,863	3,625,023	6,092,966	5,823,343	9,885,829	9,448,366
Total Liabilities	16,698,759	15,625,380	11,784,775	10,239,933	28,483,534	25,865,313
Deferred Inflows of Resources						
	1,200,859	1,087,958	1,071,252	1,144,078	2,272,111	2,232,036
Net Position (Deficit)						
Net Investment in Capital Assets	10,291,951	10,526,601	15,539,053	12,028,625	25,831,004	22,555,226
Restricted	4,007,071	3,805,319	-	-	4,007,071	3,805,319
Unrestricted (Deficit)	(8,736,677)	(8,765,682)	119,774	1,178,762	(8,616,903)	(7,586,920)
Total Net Position	\$ 5,562,345	\$ 5,566,238	\$ 15,658,827	\$ 13,207,387	\$ 21,221,172	\$ 18,773,625

Discussion on changes in each classification of the primary government is as follows:

The increase in current and other assets is primarily due to a net increase in cash balances.

The increase in capital assets, net is primarily due to capital asset additions in excess of depreciation expense. The accompanying Notes to Financial Statements, Note 7 "Capital Assets" provides additional information.

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan, collectively known as the NYSLRS. Net pension assets – proportionate share represents the Village's share of the NYSLRS' collective net pension asset, at the measurement date of the respective year. In the current year, the Village's proportionate share shifted from a liability to an asset. The accompanying Notes to Financial Statements, Note 11 "Pension Plans – New York State" provides additional information.

Deferred outflows of resources is comprised of the actuarial adjustments of the NYSLRS and LOSAP plans that will be amortized in future years, service award program benefits and administrative expenses paid after the actuarial measurement date, and contributions to the state retirement plans subsequent to the measurement dates.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

The increase in current and other liabilities is primarily due to increases in accounts payable and collections in advance.

The increase in long-term liabilities is primarily due to current year borrowings, offset by the repayment of the current maturity of bond indebtedness. The accompanying Notes to Financial Statements, Note 10 “Long-term Liabilities” provides additional information.

Net pension liabilities – proportionate share represents the Village’s share of the NYSLRS’ net pension liability at the measurement date of the respective year. The decrease is due to the shift from net pension liabilities in the prior year to net pension assets in the current year. The accompanying Notes to Financial Statements, Note 11 “Pension Plans – New York State” provides additional information.

Length of service award program (LOSAP) liability decreased based on results of the current year’s actuarial valuation. The accompanying Notes to Financial Statements, Note 12 “Pension Plan – Length of Service Award Program”, provides additional information.

Total other postemployment benefits (OPEB) liability increased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 13 “Postemployment Healthcare Benefits”, provides additional information.

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

The net investment in capital assets reflects the Village’s investment in capital assets at cost, net of accumulated depreciation and related outstanding debt. The balance as of May 31, 2022 is computed as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Capital assets, net	\$ 13,361,951	\$ 19,790,601	\$ 33,152,552
Deduct:			
Bonds payable	(3,070,000)	(3,135,000)	(6,205,000)
EFC Payable		(1,302,400)	(1,302,400)
Add:			
Unspent EFC Proceeds		185,852	185,852
Net investment in capital assets	\$ 10,291,951	\$ 15,539,053	\$ 25,831,004

The restricted net position amount relates to the Village’s amount of assets restricted for LOSAP and capital reserve. Total restricted net position increased by \$201,752 in the current year due to an increase in capital reserves, which was offset by a decrease in LOSAP program assets.

The unrestricted deficit relates to the balance of the Village’s net position. This balance does not include the Village’s reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the Village’s unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the Village is only permitted to fund OPEB on a “pay as you go” basis, and is not permitted to accumulate funds for the OPEB liability.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Changes in Net Position

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 3,410,884	\$ 2,797,551	\$ 6,229,142	\$ 5,697,536	\$ 9,640,026	\$ 8,495,087
Operating Grants & Contributions	1,171,453	1,173,420	2,190,030		3,361,483	1,173,420
Capital Grants & Contributions	35,079	331,711			35,079	331,711
General Revenues						
Property Taxes	1,157,556	1,125,935			1,157,556	1,125,935
State Sources	361,854	87,197			361,854	87,197
Other	440,511	499,154	58,969	125,525	499,480	624,679
Total Revenues	6,577,337	6,014,968	8,478,141	5,823,061	15,055,478	11,838,029
Expenses						
General Support	721,295	742,696			721,295	742,696
Public Safety	1,505,748	581,250			1,505,748	581,250
Health	5,322	7,841			5,322	7,841
Transportation & Maintenance	1,417,422	1,316,544			1,417,422	1,316,544
Economic Opportunity	192,862	168,727			192,862	168,727
Culture & Recreation	1,422,192	1,235,433			1,422,192	1,235,433
Home & Community Services	1,361,842	1,270,810			1,361,842	1,270,810
Debt Service	73,147	76,321			73,147	76,321
Electric			3,499,839	3,444,039	3,499,839	3,444,039
Water			532,729	494,040	532,729	494,040
Sewer			1,875,533	1,727,340	1,875,533	1,727,340
Total Expenses	6,699,830	5,399,622	5,908,101	5,665,419	12,607,931	11,065,041
Increase/(Decrease) in Net Position						
Before Operating Transfers	(122,493)	615,346	2,570,040	157,642	2,447,547	772,988
Operating Transfers	118,600	118,600	(118,600)	(118,600)	-	-
Changes in Net Position	\$ (3,893)	\$ 733,946	\$ 2,451,440	\$ 39,042	\$ 2,447,547	\$ 772,988

Governmental Activities

The governmental activities net position decreased by \$3,893 and increased by \$733,946 for the years ended May 31, 2022 and 2021, respectively.

The 2022 governmental activities revenues increased \$562,369 or 9.35% compared to fiscal 2021. A majority of the increase is from charges for services and state grants, offset by a decrease in capital grants. The ice rink and carousel were open for the full year in 2022, compared to the prior year that was impacted by COVID-19 restrictions. In addition, the Village received a DASNY touring grant. In the prior year, the Village received CHIPS aid for road improvements and a grant from Suffolk County for storm water treatment.

The governmental activities expenses before transfers for the year increased by \$1,300,208 or 24.08%, compared to fiscal 2021. Increases were primarily due to the increase in the OPEB actuarial valuation.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

Business-Type Activities

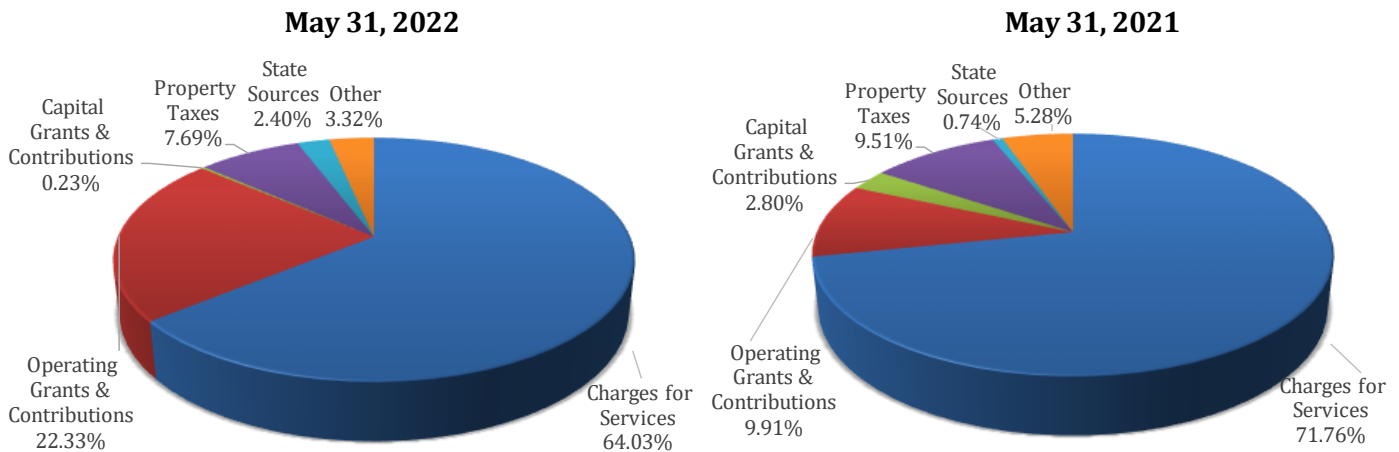
The business-type activities net position increased by \$2,451,440 and \$39,042 for the years ended May 31, 2022 and 2021, respectively.

The business-type activities 2022 revenues increased by \$2,655,080, or 45.60% compared to fiscal year 2021. The Village received a federal grant to re-build and upgrade the electric distribution system and other related property. In addition, electric charges for services increased due to a 1% increase in customer consumption.

The business-type activities 2022 expenses increased by \$242,682, or 4.28%, compared to fiscal year 2021. The increase is directly related to increasing operating costs.

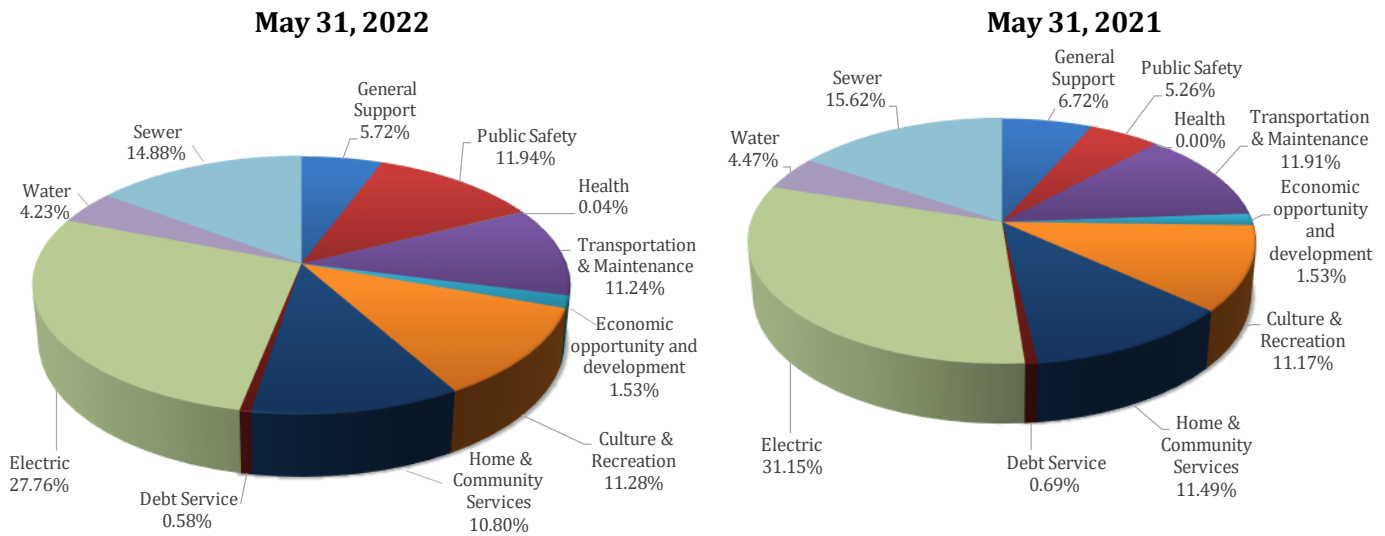
As indicated on the pie charts for the primary government that follow, charges for services (the majority of which was from the electric, water and sewer funds) is the largest component of revenues recognized, comprising 64.03% and 71.76% of the total for 2022 and 2021, respectively. Property taxes account for 7.69% and 9.51% of the total revenues for 2022 and 2021, respectively. Electric is the largest category of expenses incurred comprising 27.76% and 31.15% of the total for the years ended 2022 and 2021, respectively; sewer is the second largest category of expenses comprising 14.88% and 15.62% of the total for the years 2022 and 2021, respectively.

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



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

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



4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUND BALANCE

At May 31, 2022, the Village's governmental funds reported a combined fund balance of \$6,061,527, which is an increase of \$605,753 over the prior year balance. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2022	2021	Changes	Percentage Change
<u>General Fund</u>				
Restricted:				
Capital reserve	\$ 683,587	\$ 304,551	\$ 379,036	124%
Service award program	3,323,484	3,500,768	(177,284)	-5%
Assigned:				
Unappropriated Fund Balance	298,824	82,684	216,140	261%
Unassigned: Fund Balance	1,132,588	1,047,168	85,420	8%
	<u>5,438,483</u>	<u>4,935,171</u>	<u>503,312</u>	<u>10%</u>
<u>Community Development Fund</u>				
Assigned: Unappropriated Fund Balance	78,133	99,565	(21,432)	-22%
<u>Capital Projects Fund</u>				
Assigned: Unappropriated Fund Balance	484,397	336,691	147,706	44%
<u>Housing Authority Fund</u>				
Assigned: Unappropriated Fund Balance	60,514	84,347	(23,833)	-28%
 Total Fund Balance	 <u>\$ 6,061,527</u>	 <u>\$ 5,455,774</u>	 <u>\$ 605,753</u>	 <u>11%</u>

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The net change in the general fund-fund balance is an increase of \$503,312, compared to an increase of \$975,923 in 2021, as revenues and other financing sources of \$5,424,426 exceeded expenditures and other financing uses of \$4,921,114. Revenues increased by \$678,499 or 14.3% over the prior year.

Expenditures and other financing uses increased by \$1,151,110 or 30.53% over the prior year, primarily due to an increase in public safety. In addition, the Village resumed normal operations. This resulted in increases in salaries compared to the prior year decrease due to a reduction in staff and closure of some activities because of COVID-19.

The following is a summary of the Village's general fund restricted fund balance activity:

	Balance @ May 31, 2021	Use of Reserves	Interest	Funding	Balance @ May 31, 2022
Capital reserve	\$ 304,551	\$	\$	\$ 379,036	\$ 683,587
Service award program	3,500,768	(587,151)	119,867	290,000	3,323,484
	<u>\$ 3,805,319</u>	<u>\$ (587,151)</u>	<u>\$ 119,867</u>	<u>\$ 669,036</u>	<u>\$ 4,007,071</u>

B. Community Development Fund

The community development fund is used to account for supportive housing program funds received from rental properties. The fund balance decreased by \$21,432 due to the current year expenditures exceeding revenues.

C. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The fund balance increased by \$147,706, mainly due to \$1,200,000 of proceeds from the issuance of bonds, offset by current year expenditures and other financing uses.

D. Housing Authority

The housing authority fund is used to account for federal money received from HUD pursuant to Section 8 Programs, which enable low income families to obtain adequate housing. The fund balance decreased by \$23,833 due to expenditures exceeding revenues.

E. Proprietary Funds

The Village's proprietary funds statements provide the same information found in the government-wide financial statements, but in more detail.

Electric Fund

The net change in the electric fund's net position is an increase of \$2,717,519, compared to \$102,081 in 2021.

Water Fund

The net change in the water fund's net position is an increase of \$18,455, compared to \$69,141 in 2021.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Sewer Fund

The net change in the sewer fund's net position is a decrease of \$284,534, compared to \$132,180 in 2021.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The Village's general fund adopted budget for the year ended May 31, 2022 was \$4,605,327. This amount was increased by budget revisions of \$280,491, appropriated fund balance of \$388,251 and encumbrances of \$82,684, for a final budget of \$5,356,753.

The final budget was funded through a combination of estimated taxes and other revenues, the majority of this funding source was \$1,157,748 in estimated property taxes. The Village's 2021-2022 tax levy was below the property tax cap.

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

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

Opening, Unassigned Fund Balance	\$ 1,047,168
Fund Balance Appropriated for Budget Revision	(388,251)
Revenues Over Budget	538,608
Expenditures and Encumbrances Under Budget	136,815
Net Change in Restricted Fund Balance	<u>(201,752)</u>
Closing, Unassigned Fund Balance	<u>\$ 1,132,588</u>

Opening, Unassigned Fund Balance

The \$1,047,168 shown in the table is the portion of the Village's May 31, 2021 fund balance reported as unassigned.

Fund Balance Appropriated for Budget Revision

The Village increased appropriations by \$388,251, funded by unassigned fund balance. This decreases the unassigned portion of the general fund fund balance.

Revenues Over Budget

The 2021-2022 final budget for revenues was \$4,885,818. Actual revenues received for the year were \$5,424,426. The amount of actual revenues and other financing sources over estimated or budgeted revenues was \$538,608, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Expenditures and Encumbrances Under Budget

The 2021-2022 final budget for expenditures and other financing uses was \$5,356,753. Actual expenditures and outstanding encumbrances as of May 31, 2022 totaled \$5,219,938. The final budget variance was \$136,815, which contributes to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Restricted Fund Balance

The \$201,752 shown in the table above represents a decrease in the Village's share of LOSAP assets of \$177,284 and an increase in capital reserve of \$379,036.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the Village will begin the 2021-2022 fiscal year with an unassigned fund balance of \$1,132,588. This is an increase of \$85,420 over the unassigned fund balance from the prior year.

6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

The Village had invested in a broad range of capital assets as indicated in the table below. Total capital assets (net of accumulated depreciation) of the Village's governmental and business-type activities was \$33,152,552 as of May 31, 2022. The net increase of \$4,748,968 in capital assets is primarily due to capital asset additions in excess of depreciation expense for the year ended May 31, 2022. A summary of the Village's capital assets net of accumulated depreciation at May 31, 2022 and 2021 is as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated:						
Land	\$ 2,687,935	\$ 2,687,935	\$ 22,750	\$ 22,750	\$ 2,710,685	\$ 2,710,685
Construction in progress			3,429,634		3,429,634	-
Capital assets being depreciated:						
Land improvements	2,010,981	2,010,981			2,010,981	2,010,981
Infrastructure	10,604,701	9,303,822	2,998,922	1,755,180	13,603,623	11,059,002
Buildings and structures			4,820,148	4,792,037	4,820,148	4,792,037
Buildings and grounds improvements	5,677,244	5,677,244	751,499	733,840	6,428,743	6,411,084
Machinery and equipment	8,557,260	8,512,349			8,557,260	8,512,349
Distribution, transmission and other operational equipment						
			22,643,481	22,579,335	22,643,481	22,579,335
Accumulated depreciation	(16,176,170)	(15,425,730)	(14,875,833)	(14,246,159)	(31,052,003)	(29,671,889)
	<u>\$13,361,951</u>	<u>\$12,766,601</u>	<u>\$19,790,601</u>	<u>\$15,636,983</u>	<u>\$33,152,552</u>	<u>\$28,403,584</u>

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Debt Administration

At May 31, 2022, the Village had total debt outstanding of \$7,507,400. This is an increase of \$1,473,190 over May 31, 2021, as a result of new issuances, net of principal repayments of outstanding bonds. A summary of the outstanding bonded debt at May 31, 2022 and 2021 is as follows:

Issue Date	Maturity Date	Governmental Activities		Business-Type Activities		Total Primary Government	
		2022	2021	2022	2021	2022	2021
Bonds Payable							
6/2012	8/2023	\$ 480,000	\$ 705,000	\$	\$	\$ 480,000	705,000
1/2014	4/2042	290,000	330,000			290,000	330,000
8/2017	8/2027	510,000	590,000			510,000	590,000
8/2018	8/2039	590,000	615,000			590,000	615,000
12/2013	12/2043			1,302,400	1,359,210	1,302,400	1,359,210
1/2014	4/2042			2,355,000	2,435,000	2,355,000	2,435,000
10/2021	10/2041	1,200,000		780,000		1,980,000	
		<u>\$ 3,070,000</u>	<u>\$ 2,240,000</u>	<u>\$ 4,437,400</u>	<u>\$ 3,794,210</u>	<u>\$ 7,507,400</u>	<u>\$ 6,034,210</u>

In addition to bonds payable, the Village has a New York State Environmental Facilities Corporation Clean Water Statutory Installment Bond (EFC) in the business-type activities related to the reconstruction of the wastewater treatment plant and portions of the sanitary sewer collection system. At May 31, 2022, the balance of the outstanding loan payable was \$1,302,400.

C. Other Long-Term Liabilities

Included in the Village's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, net pension liability - proportionate share, proportionate share of LOSAP liability, and total OPEB liability, which are based on actuarial valuations. These liabilities are summarized as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Compensated absences	\$ 97,333	\$ 95,442	\$ 169,481	\$ 161,935	\$ 266,814	\$ 257,377
Net pension liability - proportionate share		3,150		3,850	-	7,000
Unearned revenues	1,215,299	1,242,306			1,215,299	1,242,306
LOSAP	6,104,213	6,263,093			6,104,213	6,263,093
Total OPEB liability	<u>3,792,863</u>	<u>3,625,023</u>	<u>6,092,966</u>	<u>5,823,343</u>	<u>9,885,829</u>	<u>9,448,366</u>
	<u>\$11,209,708</u>	<u>\$ 11,229,014</u>	<u>\$ 6,262,447</u>	<u>\$ 5,989,128</u>	<u>\$17,472,155</u>	<u>\$17,218,142</u>

INCORPORATED VILLAGE OF GREENPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Trustees approved a \$4,981,235 general fund budget for the year ending May 31, 2023. This is an increase of \$375,908, or 8.16% over the previous year's budget. The Village estimated revenues other than property taxes at a \$378,040 increase over the prior years' estimate. The property tax levy of \$1,105,126 decreased \$2,132 or 0.19% from the 2021-2022 tax levy.

B. Future Budgets

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

C. Tax Cap

New York State law limits the increase in the property tax levy of local governments to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Local governments may override the tax levy limit by first passing a local law that allows for the tax levy limit to be exceeded. The override requires a 60% vote of the total voting power of the governing board. Based on the law, the Village's tax levy cap was 7.33%. The Village's 2022-2023 property tax reduction of 0.19% was less than the tax cap and did not require an override vote.

8. CONTACTING THE VILLAGE

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Requests for additional information can be directed to:

Stephen Gaffga, Interim Village Treasurer
Incorporated Village of Greenport
236 Third Street
Greenport, New York 11944

INCORPORATED VILLAGE OF GREENPORT
Statement of Net Position
May 31, 2022

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Cash			
Unrestricted	\$ 4,260,521	\$ 3,975,856	\$ 8,236,377
Restricted	683,587	2,955,441	3,639,028
Receivables			
Taxes receivable	158,130		158,130
Accounts receivable	19,195	619,162	638,357
Due from state and federal	52,919		52,919
Internal balances	(48,031)	48,031	-
Prepays		583	583
Inventories		245,418	245,418
Service award program	3,323,484		3,323,484
Capital assets not being depreciated	2,687,935	3,452,384	6,140,319
Capital assets being depreciated, net	10,674,016	16,338,217	27,012,233
Net pension assets - proportionate share	248,018	303,134	551,152
	22,059,774	27,938,226	49,998,000
DEFERRED OUTFLOWS OF RESOURCES			
Pensions - NYSLRS	471,787	576,628	1,048,415
Pensions - Length of Service Award Program	930,402		930,402
	1,402,189	576,628	1,978,817
LIABILITIES			
Payables			
Accounts payable	150,422	760,886	911,308
Accrued liabilities	86,089	72,341	158,430
Retainage payable		115,265	115,265
Due to retirement systems	16,166	19,759	35,925
Customer deposits		116,677	116,677
Other liabilities	395,810		395,810
Unearned credits			
Collections in advance	1,770,564	-	1,770,564
Long-term liabilities			
Due and payable within one year			
Bonds payable	385,000	80,000	465,000
Compensated absences payable	3,259	169,481	172,740
Unearned revenue	27,007		27,007
EFC payable		59,200	59,200
Due and payable after one year			
Bonds payable	2,685,000	3,055,000	5,740,000
Compensated absences payable	94,074	-	94,074
Unearned revenue	1,188,292		1,188,292
EFC payable		1,243,200	1,243,200
Length of Service Award Program liability	6,104,213		6,104,213
Total other postemployment benefits liability	3,792,863	6,092,966	9,885,829
	16,698,759	11,784,775	28,483,534
DEFERRED INFLOWS OF RESOURCES			
Pensions - NYSLRS	876,479	1,071,252	1,947,731
Pensions - Length of Service Award Program	324,380		324,380
	1,200,859	1,071,252	2,272,111
NET POSITION			
Net investment in capital assets	10,291,951	15,539,053	25,831,004
Restricted			
Capital	683,587		683,587
Service award program	3,323,484		3,323,484
Unrestricted (Deficit)	(8,736,677)	119,774	(8,616,903)
	\$ 5,562,345	\$ 15,658,827	\$ 21,221,172

INCORPORATED VILLAGE OF GREENPORT
Statement of Activities
For the Year Ended May 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total Primary Government
PROGRAMS/FUNCTIONS							
Governmental Activities							
General government support	\$ 721,295	\$ 2,540,241	\$	\$	\$ 1,818,946	\$	\$ 1,818,946
Public safety	1,505,748	813,043			(692,705)		(692,705)
Health	5,322				(5,322)		(5,322)
Transportation	1,417,422			35,079	(1,382,343)		(1,382,343)
Economic opportunity and development	192,862				(192,862)		(192,862)
Culture and recreation	1,422,192	57,600	23,648		(1,340,944)		(1,340,944)
Home and community services	1,361,842		1,147,805		(214,037)		(214,037)
Debt service - interest	73,147				(73,147)		(73,147)
Total Programs and Functions	\$ 6,699,830	\$ 3,410,884	\$ 1,171,453	\$ 35,079	(2,082,414)	-	(2,082,414)
Business-type Activities							
Electric	\$ 3,499,839	\$ 4,114,803	\$	\$ 2,190,030		2,804,994	2,804,994
Water	532,729	554,659				21,930	21,930
Sewer	1,875,533	1,559,680				(315,853)	(315,853)
Total Programs and Functions	\$ 5,908,101	\$ 6,229,142	\$ -	\$ 2,190,030	-	2,511,071	2,511,071
GENERAL REVENUES							
Real property taxes					1,157,556		1,157,556
Other tax items					10,172		10,172
Use of money and property					120,917	3,408	124,325
Licenses and permits					43,598		43,598
Other general revenues					120,373		120,373
Sale of property and compensation for loss					4,412		4,412
Miscellaneous					141,039	55,561	196,600
State sources					361,854		361,854
Total General Revenues					1,959,921	58,969	2,018,890
Change in Net Position Before Other Items					(122,493)	2,570,040	2,447,547
OTHER ITEMS							
Operating transfers					118,600	(118,600)	-
Change in Net Position					(3,893)	2,451,440	2,447,547
Total Net Position - Beginning of year					5,566,238	13,207,387	18,773,625
Total Net Position - End of year					\$ 5,562,345	\$ 15,658,827	\$ 21,221,172

INCORPORATED VILLAGE OF GREENPORT
Balance Sheet - Governmental Funds
 May 31, 2022

	General	Community Development	Capital Projects	March 31, 2022 Housing Authority	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	\$ 3,624,849	\$ 89,978	\$ 484,397	\$ 61,297	\$ 4,260,521
Restricted	683,587				683,587
Receivables					
Taxes receivable	158,130				158,130
Accounts receivable	8,148			11,047	19,195
Due from state and federal	52,919				52,919
Due from other funds	24,282	11,830			36,112
Service award program	3,323,484				3,323,484
	<u>3,323,484</u>	<u>11,830</u>	<u>484,397</u>	<u>72,344</u>	<u>3,323,484</u>
Total Assets	<u>\$ 7,875,399</u>	<u>\$ 101,808</u>	<u>\$ 484,397</u>	<u>\$ 72,344</u>	<u>\$ 8,533,948</u>
LIABILITIES					
Payables					
Accounts payable	\$ 126,747	\$ 23,675	\$	\$	\$ 150,422
Accrued liabilities	55,316				55,316
Due to other funds	72,313			11,830	84,143
Due to retirement systems	16,166				16,166
Other liabilities	395,810				395,810
Unearned credits					
Collections in advance	1,770,564				1,770,564
	<u>1,770,564</u>	<u>23,675</u>	<u>-</u>	<u>11,830</u>	<u>2,472,421</u>
Total Liabilities	<u>2,436,916</u>	<u>23,675</u>	<u>-</u>	<u>11,830</u>	<u>2,472,421</u>
FUND BALANCES					
Restricted:					
Capital	683,587				683,587
Service award program	3,323,484				3,323,484
Assigned: Unappropriated fund balance	298,824	78,133	484,397	60,514	921,868
Unassigned: Fund balance	1,132,588				1,132,588
	<u>1,132,588</u>	<u>78,133</u>	<u>484,397</u>	<u>60,514</u>	<u>1,132,588</u>
Total Fund Balances	<u>5,438,483</u>	<u>78,133</u>	<u>484,397</u>	<u>60,514</u>	<u>6,061,527</u>
Total Liabilities, and Fund Balances	<u>\$ 7,875,399</u>	<u>\$ 101,808</u>	<u>\$ 484,397</u>	<u>\$ 72,344</u>	<u>\$ 8,533,948</u>

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

Total Governmental Fund Balances \$ 6,061,527

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

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

Original cost of capital assets	\$ 29,538,121	
Less: Accumulated depreciation	<u>(16,176,170)</u>	13,361,951

Proportionate share of long-term assets, as well as deferred outflows and inflows associated with participation in the length of service award program and state retirement systems are not current financial resources or assets and are not reported in the funds.

Net pension assets - NYSLRS	248,018	
Deferred outflows of resources - NYSLRS	471,787	
Deferred outflows of resources - LOSAP	930,402	
Total LOSAP liability	(6,104,213)	
Deferred inflows of resources - NYSLRS	(876,479)	
Deferred inflows of resources - LOSAP	<u>(324,380)</u>	(5,654,865)

Total other postemployment benefits liability related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Total other postemployment benefits liability	<u>(3,792,863)</u>	(3,792,863)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Accrued interest on bonds payable	(30,773)	
Bonds payable	(3,070,000)	
Compensated absences payable	(97,333)	
Unearned revenue	<u>(1,215,299)</u>	(4,413,405)

Total Net Position of Governmental Activities \$ 5,562,345

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

	General	Community Development	Capital Projects	March 31, 2022 Housing Authority	Total Governmental Funds
REVENUES					
Real property taxes	\$ 1,157,556	\$	\$	\$	\$ 1,157,556
Other real property tax items	10,172				10,172
Departmental income	1,398,208	57,600			1,455,808
Intergovernmental charges	813,043				813,043
Rental of real property	1,043,390				1,043,390
Use of money and property	120,903		11	3	120,917
Licenses and permits	43,598				43,598
Fines and forfeitures	98,643				98,643
Sale of property and compensation for loss	4,412				4,412
Miscellaneous	98,595	509		38,576	137,680
Interfund revenues	120,373				120,373
State aid	396,933				396,933
Federal aid				1,147,805	1,147,805
Total Revenues	5,305,826	58,109	11	1,186,384	6,550,330
EXPENDITURES					
General support	569,533				569,533
Public safety	1,244,011				1,244,011
Health	5,322				5,322
Transportation and street maintenance	687,671		1,300,880		1,988,551
Economic opportunity and development		79,541			79,541
Culture and recreation	838,858		68		838,926
Home and community services	197,691			1,164,151	1,361,842
Employee benefits	697,866			46,066	743,932
Debt service					
Principal	370,000				370,000
Interest	61,519				61,519
Total Expenditures	4,672,471	79,541	1,300,948	1,210,217	7,263,177
Excess/(Deficiency) of Revenues over Expenditures	633,355	(21,432)	(1,300,937)	(23,833)	(712,847)
OTHER FINANCING SOURCES AND (USES)					
Proceeds from issuance of bonds			1,200,000		1,200,000
Operating transfers in	118,600		248,643		367,243
Operating transfers out	(248,643)				(248,643)
Total Other financing sources and (uses)	(130,043)	-	1,448,643	-	1,318,600
Net Change in Fund Balance	503,312	(21,432)	147,706	(23,833)	605,753
Fund Balances - Beginning of year	4,935,171	99,565	336,691	84,347	5,455,774
Fund Balances - End of year	<u>\$ 5,438,483</u>	<u>\$ 78,133</u>	<u>\$ 484,397</u>	<u>\$ 60,514</u>	<u>\$ 6,061,527</u>

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

Net Change in Fund Balance		\$ 605,753
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-Term Revenue and Expense Differences</u>		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially the amounts actually received).	\$ 27,007	
Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.		
Increase in compensated absences	(1,891)	25,116
<u>Capital Related Differences</u>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation expense in the period.		
Capital outlays and other additions	1,345,790	
Depreciation expense	(750,440)	595,350
<u>Long-Term Debt Transaction Differences</u>		
Proceeds from the issuance of bonds are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(1,200,000)	
Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Repayment of bond principal	370,000	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as interest accrues, regardless of when it is due. This is the amount by which accrued interest increased from May 31, 2021 to May 31, 2022.	(11,628)	(841,628)
<u>Pension and Other Postemployment Benefits Differences</u>		
The change in the proportionate share of the collective pension expense of the state retirement plans, length of service award program and the change in other postemployment benefits expense reported in the Statement of Activities do not affect current financial resources and, therefore, are not reported in the governmental funds.		
State employees' retirement system	110,701	
Length of service award program	(331,345)	
Other postemployment benefits	(167,840)	(388,484)
Change in Net Position of Governmental Activities		\$ (3,893)

INCORPORATED VILLAGE OF GREENPORT

Statement of Net Position -

Proprietary Funds

May 31, 2022

	Electric	Water	Sewer	Total
ASSETS				
Cash				
Unrestricted	\$ 866,879	\$ 1,198,942	\$ 1,910,035	\$ 3,975,856
Restricted	2,769,589		185,852	2,955,441
Receivables				
Accounts receivable	398,861	38,762	181,539	619,162
Due from other funds	27,170	32,232	12,863	72,265
Prepaid items			583	583
Inventories	148,810	55,169	41,439	245,418
Capital assets not being depreciated	3,430,134		22,250	3,452,384
Capital assets being depreciated, net	6,711,070	726,971	8,900,176	16,338,217
Net pension assets - proportionate share	192,903	27,558	82,673	303,134
	<u>14,545,416</u>	<u>2,079,634</u>	<u>11,337,410</u>	<u>27,962,460</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions - NYSLRS	366,945	52,421	157,262	576,628
	<u>366,945</u>	<u>52,421</u>	<u>157,262</u>	<u>576,628</u>
LIABILITIES				
Payables				
Accounts payable	723,609	3,164	34,113	760,886
Accrued liabilities	47,869	3,901	20,571	72,341
Retainage payable	115,265			115,265
Due to other funds	24,234		-	24,234
Due to retirement system	12,574	1,796	5,389	19,759
Customer deposits	116,677			116,677
Long-term liabilities				
Due and payable within one year				
Bonds payable	80,000			80,000
Compensated absences payable	75,187	22,921	71,373	169,481
State loan payable			59,200	59,200
Due and payable after one year				
Bonds payable	2,275,000		780,000	3,055,000
State loan payable			1,243,200	1,243,200
Total other postemployment benefits liability	3,295,276	593,150	2,204,540	6,092,966
	<u>6,765,691</u>	<u>624,932</u>	<u>4,418,386</u>	<u>11,809,009</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions - NYSLRS	681,705	97,387	292,160	1,071,252
	<u>681,705</u>	<u>97,387</u>	<u>292,160</u>	<u>1,071,252</u>
NET POSITION				
Net investment in capital assets	7,786,204	726,971	7,025,878	15,539,053
Restricted	2,769,588		185,852	2,955,440
Unrestricted (deficit)	(3,090,827)	682,765	(241,752)	119,774
	<u>\$ 7,464,965</u>	<u>\$ 1,409,736</u>	<u>\$ 6,784,126</u>	<u>\$ 15,658,827</u>

INCORPORATED VILLAGE OF GREENPORT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended May 31, 2022

	Electric	Water	Sewer	Total
OPERATING REVENUES				
Charges for services:				
Charges for services	\$ 4,114,803	\$ 554,659	\$ 1,559,680	\$ 6,229,142
Total Operating Revenues	4,114,803	554,659	1,559,680	6,229,142
OPERATING EXPENSES				
Administration	89,527	126,561	20,250	236,338
Electrical	2,317,627			2,317,627
Purification		305,076		305,076
Home and community service			1,150,556	1,150,556
Benefits	685,119	72,976	415,626	1,173,721
Depreciation	312,457	28,116	289,101	629,674
Total Operating Expenses	3,404,730	532,729	1,875,533	5,812,992
Net Operating Income	710,073	21,930	(315,853)	416,150
NON-OPERATING REVENUES AND (EXPENSES)				
Interest on investments	525	1,583	1,300	3,408
Capital contributions to governmental funds	(88,000)	(12,240)	(18,360)	(118,600)
Sales tax revenue			26,984	26,984
Miscellaneous		7,182	15,098	22,280
Premium on obligations			6,297	6,297
Federal aid	2,190,030			2,190,030
Interest expense	(95,109)			(95,109)
Total Net Non-Operating Revenues	2,007,446	(3,475)	31,319	2,035,290
Change in Net Position	2,717,519	18,455	(284,534)	2,451,440
Total Net Position - Beginning of year	4,747,446	1,391,281	7,068,660	13,207,387
Total Net Position - End of year	\$ 7,464,965	\$ 1,409,736	\$ 6,784,126	\$ 15,658,827

INCORPORATED VILLAGE OF GREENPORT

Statement of Cash Flows

Proprietary Funds

For the Year Ended May 31, 2022

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 4,025,075	\$ 580,414	\$ 1,600,628	\$ 6,206,117
Payments to suppliers and service providers	(1,255,126)	(403,413)	(1,064,324)	(2,722,863)
Payments to employees for salaries and benefits	(1,123,107)	(102,614)	(541,264)	(1,766,985)
Net Cash Provided by (Used in) Operating Activities	<u>1,646,842</u>	<u>74,387</u>	<u>(4,960)</u>	<u>1,716,269</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(3,511,439)		(1,271,853)	(4,783,292)
Contributions to Village of Greenport	(88,000)	(12,240)	(18,360)	(118,600)
Sales tax revenues			26,984	26,984
Principal payments - bonds	(80,000)		(59,200)	(139,200)
Contributions in aid of construction	2,190,030		780,000	2,970,030
Interest paid on capital debt	(95,109)		-	(95,109)
Net Cash Used in Capital and Related Financing Activities	<u>(1,584,518)</u>	<u>(12,240)</u>	<u>(542,429)</u>	<u>(2,139,187)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest income	525	1,583	1,300	3,408
Net Cash Provided by Investing Activities	<u>525</u>	<u>1,583</u>	<u>1,300</u>	<u>3,408</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Other activities	-	7,182	23,784	30,966
Net Increase / (Decrease) in Cash	62,849	70,912	(522,305)	(388,544)
Cash - Beginning of year	<u>3,573,619</u>	<u>1,128,030</u>	<u>2,618,192</u>	<u>7,319,841</u>
Cash - End of year	<u>\$ 3,636,468</u>	<u>\$ 1,198,942</u>	<u>\$ 2,095,887</u>	<u>\$ 6,931,297</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Income (loss) from operations	\$ 710,073	\$ 21,930	\$ (315,853)	\$ 416,150
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities				
Depreciation	312,457	28,116	289,101	629,674
(Increase) Decrease in:				
Accounts receivable	(54,410)	5,835	8,169	(40,406)
Due from other funds	(27,170)	10,949	984	(15,237)
Inventory	(7,354)	(9,100)		(16,454)
Net pension asset	(192,903)	(27,558)	(82,673)	(303,134)
Deferred outflows of resources - Pensions	155,596	22,228	66,684	244,508
Increase (Decrease) in:				
Accounts payable and accrued expenses	615,905	(215)	(46,031)	569,659
Accrued postemployment health benefits	145,821	26,248	97,554	269,623
Retainage payable	72,012			72,012
Customer deposits	(5,286)			(5,286)
Due to other funds	(27,659)			(27,659)
Due to retirement system	(5,123)	(732)	(2,196)	(8,051)
Compensated absences payable	3,678	3,656	212	7,546
Net pension liability - proportionate share	(2,450)	(350)	(1,050)	(3,850)
Deferred inflows of resources	(46,345)	(6,620)	(19,861)	(72,826)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,646,842</u>	<u>\$ 74,387</u>	<u>\$ (4,960)</u>	<u>\$ 1,716,269</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The Village is governed by Village law and other general laws of the State of New York. The Board of Trustees (Board) 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 services.

All governmental activities and functions performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The reporting entity is the primary government, the Village, as well as component units and 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 Statements. These criteria include legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the Village's reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall financial activities of the Village. Eliminations have been made to minimize the double counting of interfund transactions. 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. Program specific grants and contributions include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category, governmental and proprietary are presented. The Village's financial statements present the following fund types:

Governmental Funds:

Governmental Funds – are those through which most governmental functions are financed. The acquisition, use and balance of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the Village's major governmental funds:

General Fund - is the general 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).

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

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

Proprietary Funds:

Proprietary Funds – are used to account for the business-type operations of a government. Proprietary funds are supported primarily with fees and charges for services. The following are the Village's major proprietary funds:

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.

Water Fund - is an enterprise fund of the Village. This fund is self-supporting through charges to residents based on water usage.

Sewer Fund - is an enterprise fund of the Village. This fund is self-supporting through charges to residents based on sewer usage.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

assets, liabilities and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the Village would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

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

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The Village considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, judgments and claims, compensated absences, pension costs, and OPEB which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

D. Property Taxes

Real property taxes are levied no later than May 15th and become a lien on June 1st. 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 can be collected through tax sales.

E. Restricted Resources

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

F. Interfund Transactions

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

G. Use of Estimates

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

H. Cash and Cash Equivalents/Investments

Cash and cash equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from the date of acquisition.

Investments, if any, are recorded at fair value, based on quoted market prices.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

I. Receivables

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

Electric Fund	<u>\$ 297,411</u>
Sewer Fund	<u>\$ 34,480</u>
Water Fund	<u>\$ 6,513</u>

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

J. Inventories

Purchases of inventoriable items in the general fund are recorded as expenditures at the time of purchase, and are considered immaterial in amount. 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. 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, 2022.

K. Restricted Length of Service Award Program Investments

The Village sponsors a separate LOSAP plan for volunteer firefighters. LOSAP obligations are actuarially determined and reported on the accrual bases of accounting in the government-wide statement of net position. The service award program assets are restricted for the purpose of providing benefits to the participants of the plan.

L. Capital Assets

Capital assets are reflected in the government-wide financial statements and proprietary funds. Capital assets are reported at actual cost. Assets are capitalized if they costs more than \$1,000, have an estimated useful life in excess of one year, and are used to carry out day-to-day government services. In the governmental activities, all capital assets, except land and construction in progress, are depreciated on a straight-line basis over their useful lives ranging from five to fifty years. In the business-type activities, all capital assets, except land and construction in progress, are depreciated on a straight-line basis over their useful lives ranging from five to one hundred years.

M. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Village has two items that qualify for reporting in this category. The first item is related to pensions and consists of the Village's proportionate share of changes in the collective net pension liability not included in collective pension expense and the Village's contributions to the NYSLRS subsequent to the measurement date. The second is related to LOSAP and represents the change in the LOSAP liability not included in LOSAP expense.

N. Collections in Advance

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

O. Employee Benefits – Compensated Absences

Compensated absences consist of unpaid accumulated vacation time and sick leave.

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 has been calculated using the vesting method and an accrual for that liability is included in the government-wide and proprietary funds financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the governmental fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the Village by May 31st.

P. Other Benefits

Eligible Village employees participate in the New York State and Local Employees' Retirement System.

Village employees may choose to participate in the Village's elective deferred compensation plan established under Internal Revenue Code Section 457. The Village makes no contributions into this plan.

The Village provides individual and family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the Village provides individual, family or surviving spouse health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the general fund as the liabilities for premiums mature (come due for payment). In the government-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Q. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category. The first item is related to NYSLRS and LOSAP reported in the Statement of Net Position, and consists of the Village's proportionate share of changes in the collective total and net pension liabilities not included in collective pension expense. The second item is related to OPEB and represents changes in the total OPEB liability not included in the OPEB expense.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

R. Long-Term Debt

The Village borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

S. Equity Classifications

Government-Wide and Proprietary Statements

In the government-wide and proprietary funds statements there can be three classes of net position:

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets, net of any unexpended proceeds.

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

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

Fund Statements

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

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The Village has established the following restricted fund balances:

Capital – Fire Apparatus

The Village is required to accumulate unused fire contract revenue for future fire department equipment.

Restricted for Service Award Program

The Village's proportionate share of service award program assets is restricted for providing benefits to participants in the Village of Greenport Fire Department, Service Award Program, a defined benefit pension plan. The assets are held in trust and accounted for in the general fund.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Trustees. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes encumbrances not classified as restricted at the end of the fiscal year.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Fund Balance Policy

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

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

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

2. FUTURE ACCOUNTING STANDARD

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

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

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

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

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

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

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

Other postemployment benefit differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for premiums and other postemployment benefit costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The Village’s administration prepares a proposed budget for approval by the Board of Trustees for the general fund and proprietary funds. The budget is adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations are established by adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Trustees, as a result of selected new revenue sources not included in the original budget and appropriations of fund balance. 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. During the year ended May 31, 2022, the general fund's adopted budget was increased for the following:

Original Budget	\$ 4,605,327
Encumbrances	82,684
Increased operational costs funded by additional program revenues	280,491
Appropriated fund balance	<u>388,251</u>
 Final Budget	 <u><u>\$ 5,356,753</u></u>

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

C. Over Expenditure of Certain Appropriations

Certain general fund appropriations were over expended. These were in the following appropriation categories of the budget: general government support, public safety, culture and recreation, and debt service. The general fund budget in total was not over expended.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

6. DUE FROM OTHER GOVERNMENTS

Due from other governments at May 31, 2022 consisted of:

General Fund	
PAVE-NY	<u>\$ 52,919</u>

Village management expects these amounts to be fully collectible.

7. CAPITAL ASSETS

The capital assets and accumulated depreciation of the governmental activities and the business-type activities for the year ended May 31, 2022, are as follows:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,687,935	\$	\$	\$ 2,687,935
Total capital assets not being depreciated	<u>2,687,935</u>	<u>-</u>	<u>-</u>	<u>2,687,935</u>
Capital assets being depreciated:				
Buildings	5,677,244			5,677,244
Machinery and equipment	8,512,349	44,911		8,557,260
Infrastructure	9,303,822	1,300,879		10,604,701
Vehicles	2,010,981			2,010,981
Total capital assets being depreciated	<u>25,504,396</u>	<u>1,345,790</u>	<u>-</u>	<u>26,850,186</u>
Accumulated depreciation	<u>15,425,730</u>	<u>750,440</u>		<u>16,176,170</u>
Capital assets, net	<u>\$ 12,766,601</u>	<u>\$ 595,350</u>	<u>\$ -</u>	<u>\$ 13,361,951</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Business-type activities combined:				
Capital assets not being depreciated:				
Land	\$ 22,750	\$ -	\$ -	\$ 22,750
Construction in progress	-	3,429,634		3,429,634
Total capital assets not being depreciated	22,750	3,429,634	-	3,452,384
Capital assets being depreciated:				
Buildings	1,755,180	1,243,742		2,998,922
Machinery and equipment	4,792,037	28,111		4,820,148
Vehicles	733,840	17,659		751,499
Distribution, transmission and other operational equipment	22,579,335	64,146		22,643,481
Total capital assets being depreciated	29,860,392	1,353,658	-	31,214,050
Accumulated depreciation	14,246,159	629,674		14,875,833
Capital assets, net	\$ 15,636,983	\$ 4,153,618	\$ -	\$ 19,790,601

Depreciation expense was allocated as direct expense to programs of the primary government as follows:

	Governmental Activities	Business-Type Activities
General support	\$ 18,344	\$ -
Public safety	197,204	
Transportation	313,557	629,674
Culture and recreation	181,819	
Home and community services	39,516	
	<u>\$ 750,440</u>	<u>\$ 629,674</u>

8. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 24,282	\$ 72,313	\$ 118,600	\$ 248,643
Community Development Capital Projects Fund	11,830		248,643	
Housing Authority		11,830		
Total Governmental Funds	36,112	84,143	367,243	248,643
Electric Fund	27,170	24,234		88,000
Sewer Fund	12,863			12,240
Water Fund	32,232			18,360
Total Proprietary Funds	72,265	24,234	-	118,600
Total Governmental and Proprietary Funds	<u>\$ 108,377</u>	<u>\$ 108,377</u>	<u>\$ 367,243</u>	<u>\$ 367,243</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

9. COLLECTIONS IN ADVANCE

As of May 31, 2022, collections in advance in the general fund consisted of:

Building and Planning Escrow	\$ 42,430
Fire Contract	472,864
Marina and Campground Deposits	636,019
American Rescue Plan Act Funding	114,409
Advanced Deposits from Residents	504,842
	<u>504,842</u>
	<u>\$ 1,770,564</u>

10. LONG-TERM LIABILITIES

A. Changes

The following tables summarize the changes in governmental and business-type activities in long-term liabilities, excluding pension and other postemployment benefits liabilities, for the year ended May 31, 2022:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Governmental activities:					
Bonds payable	\$ 2,240,000	\$ 1,200,000	\$ (370,000)	\$ 3,070,000	\$ 385,000
Other long-term liabilities:					
Compensated absences	95,442		1,891	97,333	3,259
Unearned revenue	1,242,306		(27,007)	1,215,299	27,007
	<u>\$ 3,577,748</u>	<u>\$ 1,200,000</u>	<u>\$ (395,116)</u>	<u>\$ 4,382,632</u>	<u>\$ 415,266</u>

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Business-type activities:					
Bonds payable	\$ 2,435,000	\$ 780,000	\$ (80,000)	\$ 3,135,000	\$ 80,000
EFC Payable - Sewer Fund	1,359,210		(56,810)	1,302,400	59,200
	<u>3,794,210</u>	<u>780,000</u>	<u>(136,810)</u>	<u>4,437,400</u>	<u>139,200</u>
Other long-term liabilities:					
Compensated absences	161,935	7,546		169,481	169,481
	<u>\$ 3,956,145</u>	<u>\$ 787,546</u>	<u>\$ (136,810)</u>	<u>\$ 4,606,881</u>	<u>\$ 308,681</u>

The general fund has typically been used to liquidate long-term liabilities for the governmental activities. The proprietary funds (electric, water and sewer) have typically been used to liquidate long-term liabilities for the business-type activities.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Serial Bonds

The following is a summary of general obligation bonds currently outstanding:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2022
Governmental activities:				
2012 Public Improvement Serial Bond	6/2012	8/2023	2.00 - 2.75%	\$ 480,000
2014 Public Improvement Serial Bond	1/2014	4/2042	2.25 - 4.25%	290,000
2017 Public Improvement Serial Bond	8/2017	8/2027	2.13 - 2.75%	510,000
2018 Public Improvement Serial Bond	8/2018	8/2039	3.50 - 3.75%	590,000
2021 Public Improvement Serial Bond	10/2021	10/2043	2.00 - 2.25%	1,200,000
				<u>\$ 3,070,000</u>
Business-type activities:				
EFC Payable - Sewer Fund	12/2013	12/2043	0.00%	\$ 1,302,400
2014 Public Improvement Serial Bond - Electric Fund	1/2014	4/2042	2.25 - 4.25%	2,355,000
2021 Public Improvement Serial Bond	10/2021	10/2041	2.00 - 2.25%	780,000
				<u>\$ 4,437,400</u>

As indicated above, the Village has a New York State Environmental Facilities Corporation Clean Water Statutory Installment Bond (EFC) related to the reconstructions of the wastewater treatment plant and portions of the sanitary sewer collection system.

The following is a summary of debt service requirements for bonds:

Year Ending May 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 385,000	\$ 57,869	\$ 139,200	\$ 92,244
2024	424,394	48,169	169,806	90,481
2025	206,515	38,724	177,685	88,089
2026	211,515	35,111	182,685	85,014
2027	216,515	30,205	182,685	81,414
2028 - 2032	608,788	94,943	992,212	348,244
2033 - 2037	509,091	58,850	1,126,909	235,050
2038 - 2042	435,455	28,550	1,300,545	89,881
2043 - 2044	72,727	1,636	165,673	1,064
Total	<u>\$ 3,070,000</u>	<u>\$ 394,057</u>	<u>\$ 4,437,400</u>	<u>\$ 1,111,481</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Long-Term Debt Interest

Interest on long-term debt for the year was composed of:

	Governmental Activities	Business-Type Activities
Interest paid	\$ 61,519	\$ 95,109
Less: Interest accrued in the prior year	(19,145)	
Add: Interest accrued in the current year	30,773	
Total interest expense on long-term debt	\$ 73,147	\$ 95,109

11. PENSION PLANS – NEW YORK STATE

A. New York State and Local Employees' Retirement System

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan, collectively known as the NYSLRS. This is a cost-sharing multiple employer, defined benefit, public employee retirement systems. The NYSLRS provides retirement, disability, and death benefits to plan members and beneficiaries related to years of service and final average salary.

Provisions and Administration

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the NYSLRS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The ERS is included in the State's financial report as a pension trust fund. That report may be found on the NYS Comptroller's website at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The NYSLRS is noncontributory except for employees who joined after July 27, 1976 with less than ten years of credited service, who contribute 3% of their salary, or joined on or after January 1, 2010 (ERS) and before April 1, 2012, who contribute 3% of their salary throughout active membership. For employees hired on or after April 1, 2012, employee contribution rates are dependent upon salaries and range from 3% to 6% of salary throughout active membership. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the fiscal year ending March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount, or by the prior February 1st. The Village paid 100% of the required contributions as billed for the current year. The Village's average contribution rate was 14.85% of covered payroll for the ERS' fiscal year ended March 31, 2021.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Village's share of the required contributions, based on covered payroll for the current year ended May 31, 2022, was \$303,383 for the ERS at an average contribution rate of 14.69%.

B. Pension Asset/(Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2022, the Village reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the system. The net pension asset/(liability) was measured as of March 31, 2022. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Village's proportion of the net pension asset/(liability) was based on a projection of the Village's long-term share of contributions to the system relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the Village.

Measurement date	March 31, 2022
Village's proportionate share of the net pension liability	\$ 551,152
Village's portion of the Plan's total net pension liability	0.0067423%
Change in proportion since the prior measurement date	(0.0002888)

For the year ended May 31, 2022, the Village recognized pension expense of \$17,192. At May 31, 2022, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,739	\$ 54,138
Changes of assumptions	919,809	15,521
Net difference between projected and actual earnings on pension plan investments		1,804,791
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	50,942	73,281
Village contributions subsequent to the measurement date	35,925	
Total	<u>\$ 1,048,415</u>	<u>\$ 1,947,731</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending May 31,	ERS
2023	\$ (145,916)
2024	(209,471)
2025	(470,682)
2026	(109,172)
	\$ (935,241)

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Inflation	2.70%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.40%

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

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

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		March 31, 2022
Asset type		
Domestic equity	32.0%	3.30%
International equity	15.0%	5.85%
Real estate equity	9.0%	5.00%
Private equities	10.0%	6.50%
Alternative investments	10.0%	3.78-5.58%
Fixed income	23.0%	0.00%
Cash	1.0%	-1.00%
	100.0%	

Real rates of return are net of a long-term inflation assumption of 2.5%.

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

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

	1% Decrease 4.90 %	Current Assumption 5.90 %	1% Increase 6.90 %
ERS			
Village's proportionate share of the net pension asset (liability)	\$ (1,418,657)	\$ 551,152	\$ 2,198,801

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the measurement date, were as follows:

	<i>Dollars in Thousands</i>
Measurement date	March 31, 2022
Employers' total pension liability	\$ (223,874,888)
Plan fiduciary net position	232,049,473
Employers' net pension asset	\$ 8,174,585
Ratio of plan fiduciary net position to the employers' total pension liability	103.65%

Payables to the Pension Plan

Employer contributions are paid annually based on the NYSLRS' fiscal year, which ends on March 31st. Accrued retirement contributions as of May 31, 2022, represent the projected employer contribution for the period of April 1, 2022 through May 31, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2022 amounted to \$35,925 of employer contributions. Employee contributions are remitted monthly.

12. PENSION PLAN – DEFERRED COMPENSATION PLAN

The Village has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The Village makes no contributions into this Plan.

13. PENSION PLAN – LENGTH OF SERVICE AWARD PROGRAM

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 granter/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/granter trust (restricted investments).

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

A. Program Description

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The program's entitlement age is 65. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of active volunteer firefighting service rendered prior to the establishment of this program. Participants who become unable to earn 50 points per year due to an injury sustained while performing a line of duty activity covered by the Volunteer Firefighters Benefit Law will be credited with five points for each full month during which they are disabled.

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

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.

Benefits

A participant's Service Award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of Service Credit earned by the participant under the Point System. The maximum number of years of Service Credit a participant may earn under the program is 20 years. Currently, there are no other forms of payment of a volunteer's earned Service Award under the Program.

Except in the case of pre-Entitlement Age death or total and permanent disablement, a participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who continue to be active after attaining the Entitlement Age and who may have commenced receiving a Service Award have the opportunity to earn Service Credit and thereby increase their Service Award payments.

The 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.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Benefits

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

Inactive participants currently receiving benefit payments	48
Inactive participants entitled to but not yet receiving benefit payments	28
Active participants	78
 Total	 154

Contributions

New York State General Municipal Law §219(d) requires the Village Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village Board.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The underlying assets are reported at fair value based on quoted market prices and include the following:

	Level 1
RBC Insured Deposits	\$ 214,293
Cash and money market	1,498
US Equities	667,332
International equities	456,374
Taxable fixed income	1,806,456
Mixed assets	55,405
Other assets	122,126
	\$ 3,323,484

C. Measurement of Total Service Award Program Liability

The total pension liability at the December 31, 2021 measurement date was determined using an actuarial valuation as of December 1, 2021.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions

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

Actuarial cost method	Entry age normal
Discount rate	2.24%
Inflation	2.25%
Salary scale	None assumed

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

Changes of Benefit Terms

Effective January 1, 2019 the program was amended to increase the maximum number of years of service credit a participant may earn from 30 to 40.

Discount Rate

The discount rate used to measure the total pension liability was 2.24% (the discount rate used at the prior year's measurement date of December 31, 2020 was 1.93%). This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

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

For the year ended May 31, 2022, the Village reported a liability of \$6,104,213 for its proportionate share of the total pension liability, measured as of December 31, 2021. The proportionate share of total pension liability for the year ended May 31, 2021 was \$6,263,093, measured as of December 31, 2020.

Pension Expense

For the year ended May 31, 2021, the Village recognized pension expense (credit) of \$158,880. The following represents the components of pension expense (credit):

Service cost	\$ 187,194
Interest on total pension liability	122,431
Changes of assumptions or other inputs	(248,306)
Differences between expected and actual experience	(6,725)
Benefit payments	<u>(213,474)</u>
Total pension expense	<u>\$ (158,880)</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At May 31, 2021, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,016	\$ 8,260
Changes of assumptions or other inputs	754,818	316,120
Benefit payments and administrative expenses subsequent to the measurement date	90,569	
Total	\$ 930,403	\$ 324,380

The \$90,569 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date and will be recognized as a reduction of the total pension liability in the year ending May 31, 2023.

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

Year Ending May 31,		
2023	\$	239,797
2024		201,958
2025		207,285
2026		(30,361)
2027		(30,361)
Thereafter		(72,864)
	\$	515,454

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

The following presents the total pension liability of the Village as of the December 31, 2021 measurement date, calculated using the discount rate of 2.24%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.24%) or 1-percentage point higher (3.24%) than the current rate:

	1% Decrease 1.24%	Current Assumption 2.24%	1% Increase 3.24%
Village's proportionate share of the total pension liability	\$ (6,958,610)	\$ (6,104,213)	\$ (5,390,632)

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The Village provides OPEB for eligible retired employees of the Village. The benefits provided to employees upon retirement are based on provisions in the various contracts that the Village has in place with different classification of employees. The plan is a single-employer defined benefit OPEB plan administered by the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Village provides healthcare benefits and Medicare Part B coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Village offices and are available upon request.

Employees Covered by Benefit Terms – At May 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	24
Active employees	34
Surviving beneficiaries	2
	60

B. Total OPEB Liability

The Village’s total OPEB liability of \$9,885,829 was measured as of May 31, 2022, and was determined by an actuarial valuation as of May 31, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%	
Salary increases	3.00%	average, including inflation
Discount rate	2.50%	
Healthcare cost trend rates	4.90%	for 2022, decreasing to an ultimate rate of 4.30% in 2029

The discount rate was based on the S&P Municipal Bond 20-Year tax exempt municipal bond yield as of May 31, 2022.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at May 31, 2021	<u>\$ 9,448,366</u>
Changes for the year	
Service cost	313,616
Interest on total OPEB liability	282,298
Changes in benefit terms	-
Differences between expected and actual experience	5,050
Changes in assumptions or other inputs	856,774
Benefit payments	<u>(1,020,275)</u>
	<u>437,463</u>
Balance at May 31, 2022	<u>\$ 9,885,829</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.50%) or 1 percentage point higher (3.50%) than the current discount rate:

OPEB	1% Decrease 1.50%	Discount Rate 2.50%	1% Increase 3.50%
Total OPEB liability	<u>\$ (11,780,450)</u>	<u>\$ (9,885,829)</u>	<u>\$ (8,407,677)</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current healthcare cost trend rate:

OPEB	1% Decrease 3.90% decreasing to 3.30%	Healthcare Cost Trend Rates 4.90% decreasing to 4.30%	1% Increase 5.90% decreasing to 5.30%
Total OPEB liability	<u>\$ (6,929,525)</u>	<u>\$ (9,885,829)</u>	<u>\$ (13,675,072)</u>

INCORPORATED VILLAGE OF GREENPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as assigned fund balance. At May 31, 2022, the Village encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
General Government Support	\$ 455
Public Safety	234,476
Transportation	24,600
Culture and Recreation	39,164
Home and Community	129
	<hr/>
	\$ 298,824
	<hr/> <hr/>

B. Risk Financing and Related Insurance

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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

D. Grants

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

E. Litigation

The Village is involved in lawsuits arising from the normal conduct of its affairs. The Village believes that the outcome of any matters will not have a material effect on these financial statements.

16. SUBSEQUENT EVENTS

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

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

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Real Property Taxes				
Real property taxes	\$ 1,107,258	\$ 1,107,258	\$ 1,107,066	\$ (192)
Business improvement district	50,490	50,490	50,490	-
Total Real Property Taxes	<u>1,157,748</u>	<u>1,157,748</u>	<u>1,157,556</u>	<u>(192)</u>
Other Real Property Taxes				
Tax penalty water & sewer	6,000	6,000	1,670	(4,330)
Interest and penalties on real property taxes	10,000	10,000	8,502	(1,498)
Total Other Real Property Taxes	<u>16,000</u>	<u>16,000</u>	<u>10,172</u>	<u>(5,828)</u>
Departmental Income				
Charges for tax advertisements			167	167
Village Clerk fee collection	6,000	6,000	137,820	131,820
Public health fee collection	4,000	4,000	4,626	626
Ice Rink fee collection	54,000	54,000	22,352	(31,648)
Marina	615,000	760,700	760,738	38
McCann Campground	162,600	189,000	189,035	35
Carousel	205,500	205,500	183,492	(22,008)
Camera obscura	750	750	114	(636)
Zoning fees	800	800		(800)
Historical review applications	600	600		(600)
Planning board fees	6,000	6,000	(1,000)	(7,000)
Road fees	1,500	1,500	1,800	300
Pumpout boat fees	8,000	8,000	3,244	(4,756)
Mooring fees	56,000	56,000	46,900	(9,100)
Baymen's Dock fees	8,000	8,000	8,310	310
Recreation center	45,000	45,000	40,550	(4,450)
Other	5,500	5,500	60	(5,440)
Total Departmental Income	<u>1,179,250</u>	<u>1,351,350</u>	<u>1,398,208</u>	<u>46,858</u>
Intergovernmental Charges				
Fire protection services	813,043	813,043	813,043	-
Use of Money and Property				
Interest and earnings	1,000	1,000	1,036	36
Investment earnings - LOSAP			119,867	119,867
Rental of real property	929,108	995,499	1,043,390	47,891
Total Use of Money and Property	<u>930,108</u>	<u>996,499</u>	<u>1,164,293</u>	<u>167,794</u>
Licenses and Permits				
Business and occupational licenses	1,000	1,000	780	(220)
Building permits	55,000	55,000	42,818	(12,182)
Total Licenses and Permits	<u>56,000</u>	<u>56,000</u>	<u>43,598</u>	<u>(12,402)</u>
Fines and Forfeitures				
Parking violations	80,000	80,000	94,318	14,318
Justice court fines and fees	15,000	15,000	4,325	(10,675)
Total Fines and Forfeitures	<u>95,000</u>	<u>95,000</u>	<u>98,643</u>	<u>3,643</u>
Sale of Property and Compensation for Loss				
Insurance recoveries			4,412	4,412
Miscellaneous				
Arts & culture donation	21,000	21,000	23,648	2,648
Rent - railroad dock	10,000	10,000	19,133	9,133
Premium on obligations			9,849	9,849
Other	2,500	44,500	45,965	1,465
Total Miscellaneous	<u>33,500</u>	<u>75,500</u>	<u>98,595</u>	<u>23,095</u>

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

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Interfund Revenues				
Community development reimburse	\$ 118,290	\$ 118,290	\$ 120,373	\$ 2,083
State Aid				
Revenue sharing	23,542	23,542	29,427	5,885
Mortgage tax	35,000	35,000	67,938	32,938
Other			264,489	264,489
Consolidated highway aid - "CHIPS"	29,246	29,246	35,079	5,833
Total State Aid	87,788	87,788	396,933	309,145
Total Revenues	4,486,727	4,767,218	5,305,826	538,608
OTHER FINANCING SOURCES				
Operating Transfers In	118,600	118,600	118,600	-
Total Revenues and Other Sources	4,605,327	4,885,818	5,424,426	\$ 538,608
APPROPRIATED FUND BALANCE				
Prior Year's Surplus		388,251		
Prior Year's Encumbrances	82,684	82,684		
Total Appropriated Fund Balance	82,684	470,935		
Total Revenues, Other Sources, and Appropriated Fund Balance	\$ 4,688,011	\$ 5,356,753		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

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

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Government Support					
Legislative Board					
Contractual services	\$ 2,530	\$ 2,804	\$ 2,829	\$	\$ (25)
Board of Trustees					
Personal services	14,600	14,600	10,480		4,120
Contractual services	28,648	33,214	31,359	455	1,400
Traffic Violations					
Personal services	36,300	36,300	4,984		31,316
Contractual services	3,500	4,033	4,033		-
Mayor					
Personal services	9,400	9,400	9,035		365
Contractual services	52,990	53,062	53,061		1
Auditor					
Contractual services	15,300	15,300	15,300		-
Treasurer					
Personal services	49,700	49,700	48,420		1,280
Equipment	1,000	1,000	951		49
Contractual services	7,506	7,500	6,049		1,451
Tax Advertising					
Contractual services	680	680	680		-
Clerk					
Personal services	82,000	82,000	77,567		4,433
Equipment	1,000	1,045	1,044		1
Contractual services	4,500	4,676	4,676		-
Law					
Contractual services	89,130	97,735	97,734		1
Elections					
Contractual services	6,000	6,000	6,000		-
Operation of buildings					
Contractual services	41,800	54,562	50,702		3,860
Communications	5,500	5,500	5,500		-
Contractual services	5,000	9,590	9,590		-
Data Processing					
Contractual services	6,800	16,499	16,498		1
Unallocated Insurance					
Contractual services	111,630	111,630	108,976		2,654
Municipal Association Dues					
Contractual services	1,500	1,500	458		1,042
Contingent					
Contractual services	15,000	15,000			15,000
MTA Payroll Taxes					
Contractual services	3,800	3,800	3,607		193
Total General Government Support	595,814	637,130	569,533	455	67,142
Public Safety					
Fire Protection					
Personal services	13,300	13,300	8,584		4,716
Equipment	114,355	130,861	96,681	18,858	15,322
Contractual services	1,137,988	1,096,797	1,054,669	215,618	(173,490)
Safety Inspections					
Personal services	62,975	76,795	76,794		1
Contractual services	6,000	7,283	7,283		-
Total Public Safety	1,334,618	1,325,036	1,244,011	234,476	(153,451)
Health					
Registrar of Vital Statistics					
Personal services	8,240	8,240	5,322		2,918

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

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual
EXPENDITURES					
Transportation					
Street maintenance					
Personal services	\$ 394,100	\$ 459,578	\$ 457,083	\$	\$ 2,495
Equipment	7,500	7,500	7,485		15
Contractual services	271,674	317,462	162,817	24,600	130,045
Street Lighting					
Contractual services	58,000	60,287	60,286		1
Total Transportation	731,274	844,827	687,671	24,600	132,556
Culture and Recreation					
Parks and Recreation Administration					
Personal services	23,670	25,047	25,046		1
Contractual services	49,000	59,438	59,398		40
Parks					
Personal services	24,630	24,630	2,898		21,732
Contractual services	28,279	48,822	34,522	14,165	135
Recreation Center					
Personal services	121,843	143,753	138,393		5,360
Contractual services	19,560	26,382	25,594	376	412
McCann Trailer Park					
Personal services	8,250	8,316	8,316		-
Contractual services	36,250	42,527	42,174		353
Mitchell Marina					
Personal services	181,564	181,564	160,473		21,091
Contractual services	124,950	171,175	137,933	24,623	8,619
Docks					
Contractual services	8,000	7,232	9,131		(1,899)
Ice Rink					
Personal services	40,000	40,000	18,653		21,347
Contractual services	10,229	68,957	68,431		526
Arts & Culture					
Personal services	80,000	87,110	87,109		1
Equipment	23,000	23,000	14,020		8,980
Contractual services	500	500	-		500
Historian					
Contractual services	5,700	7,497	5,572		1,925
Celebrations					
Contractual services	2,000	2,000	1,195		805
Total Culture and Recreation	787,425	967,950	838,858	39,164	89,928
Home and Community Services					
Zoning					
Personal services	7,700	7,700	6,231		1,469
Contractual services	11,005	17,087	17,087		-
Planning					
Personal services	7,700	7,700	6,231		1,469
Contractual services	18,000	32,477	32,476		1
Research					
Contractual services	11,000	17,790	17,790		-
Sanitation					
Contractual services	2,000	2,000	797	129	1,074
Community Beautification					
Personal services	7,479	8,597	7,096		1,501
Contractual services	12,000	12,000	11,982		18
Community Development					
Personal services	63,850	63,850	61,496		2,354
Contractual services	33,227	38,359	36,505		1,854
Cemeteries					
Salaries	1,000	1,000	-		1,000
Total Home and Community Services	174,961	208,560	197,691	129	10,740

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

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual
EXPENDITURES					
Employee Benefits					
State retirement	\$ 131,533	\$ 131,533	\$ 107,328	\$	\$ 24,205
Social security and Medicare	85,340	94,153	94,152		1
Workers' compensation	11,000	11,000	7,746		3,254
Unemployment insurance	7,500	7,500			7,500
Hospital and medical insurance	478,766	488,641	488,640		1
Total Employee Benefits	714,139	732,827	697,866	-	34,961
Debt Service					
Principal	280,000	280,000	370,000		(90,000)
Interest	61,540	61,540	61,519		21
Total Debt Service	341,540	341,540	431,519	-	(89,979)
Total Expenditures	4,688,011	5,066,110	4,672,471	298,824	94,815
OTHER FINANCING USES					
Operating transfer out		290,643	248,643		42,000
Total Expenditures and Other Uses	\$ 4,688,011	\$ 5,356,753	4,921,114	\$ 298,824	\$ 136,815
Net Change in Fund Balance			503,312		
Fund Balance - Beginning of Year			4,935,171		
Fund Balance - End of Year			\$ 5,438,483		

Note to Required Supplementary Information

Budget Basis of Accounting

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

INCORPORATED VILLAGE OF GREENPORT
Schedule of the Village's Proportionate Share of the Net Pension Asset/(Liability)
 Last Seven Years

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016
Village's proportion of the net pension asset/(liability)	0.0067423%	0.0070311%	0.0063396%	0.0068380%	0.0066802%	0.0066666%	0.0065355%
Village's proportionate share of the net pension asset/(liability)	\$ 551,152	\$ (7,001)	\$ (1,678,762)	\$ (484,492)	\$ (215,600)	\$ (626,410)	\$ (1,048,963)
Village's covered payroll	\$ 2,042,648	\$ 1,997,861	\$ 2,061,856	\$ 2,133,264	\$ 1,987,602	\$ 1,843,135	\$ 1,697,221
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	26.98 %	0.35 %	81.42 %	22.71 %	10.85 %	33.99 %	61.80 %
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

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

Note to Required Supplementary Information

The amounts presented for each year were determined as of March 31st.

INCORPORATED VILLAGE OF GREENPORT
Schedule of Village Pension Contributions
 Last Ten Years

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 303,383	\$ 263,215	\$ 261,059	\$ 266,939	\$ 268,408	\$ 255,662	\$ 273,582	\$ 286,427	\$ 302,953	\$ 306,161
Contributions in relation to the contractually required contribution	<u>303,383</u>	<u>263,215</u>	<u>261,059</u>	<u>266,939</u>	<u>268,408</u>	<u>255,662</u>	<u>273,582</u>	<u>286,427</u>	<u>302,953</u>	<u>306,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 2,065,573	\$ 1,997,861	\$ 2,061,856	\$ 2,133,264	\$ 1,987,602	\$ 1,843,135	\$ 1,697,221	\$ 1,763,872	\$ 1,717,677	\$ 1,704,229
Contributions as a percentage of covered payroll	15%	13%	13%	13%	14%	14%	16%	16%	18%	18%

INCORPORATED VILLAGE OF GREENPORT
Schedule of the Village's Proportionate Share of the Length of Service Award Program Liability
Last Four Years

Measurement date as of December 31,	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 187,194	\$ 91,867	\$ 91,867	\$ 96,642
Interest	122,431	175,804	175,804	150,619
Change of benefit terms	(248,306)	-	-	271,020
Changes of assumptions and other inputs	(6,725)	236,681	236,681	(302,374)
Differences between expected and actual experience	-	(5,137)	(5,137)	60,737
Benefit payments	<u>(213,474)</u>	<u>(223,082)</u>	<u>(223,082)</u>	<u>(193,940)</u>
Net change in total pension liability	(158,880)	276,133	276,133	82,704
Total pension liability, beginning	<u>5,401,720</u>	<u>5,125,587</u>	<u>4,849,454</u>	<u>4,766,750</u>
Total pension liability, ending	<u>\$ 5,242,840</u>	<u>\$ 5,401,720</u>	<u>\$ 5,125,587</u>	<u>\$ 4,849,454</u>
Covered payroll	None	None	None	None
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
Discount rate	2.24%	1.93%	3.26%	

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

Notes to Required Supplementary Information

Trust Assets

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

INCORPORATED VILLAGE OF GREENPORT
Schedule of Changes in the Village's Total OPEB Liability and Related Ratios
Last Four Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability				
Service cost	\$ 313,616	\$ 440,584	\$ 440,584	\$ 359,863
Interest on total OPEB liability	282,298	271,239	271,239	277,380
Changes in benefit terms	-	(42,708)	-	-
Differences between expected and actual experience	5,050	812,981	(263,909)	844,081
Changes of assumptions or other inputs	856,774	(965,218)	762,027	795,542
Benefit payments	<u>(1,020,275)</u>	<u>-</u>	<u>(965,218)</u>	<u>(996,164)</u>
Net change in total OPEB liability	437,463	516,878	244,723	1,280,702
Total OPEB liability, beginning	<u>9,448,366</u>	<u>8,931,488</u>	<u>8,931,488</u>	<u>7,650,786</u>
Total OPEB liability, ending	<u>\$ 9,885,829</u>	<u>\$ 9,448,366</u>	<u>\$ 9,176,211</u>	<u>\$ 8,931,488</u>
Covered employee payroll	\$ 1,979,676	\$ 1,952,686	\$ 1,965,336	\$ 1,926,802
Total OPEB liability as a percentage of covered employee payroll	499.37%	483.87%	466.90%	463.54%
Discount rate	2.50%	2.50%	2.50%	
Healthcare trend rate	4.90% - 4.30% through 2029	4.90% - 4.30% through 2029		

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

Notes to Required Supplementary Information

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The amounts presented for each year were determined as of the measurement date of the plan.

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VINCENT D. CULLEN, CPA
(1950 - 2013)
PETER F. RODRIGUEZ, CPA
(RET.)

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

To the Board of Trustees
Incorporated Village of Greenport
Greenport, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Incorporated Village of Greenport (Village), as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated February 7, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cullen & Danowski, LLP
February 7, 2023

