



Village of
BELLPORT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT

May 31, 2022

INCORPORATED VILLAGE OF BELLPORT
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Incorporated Village of Bellport (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, business-type activities and each major fund of the Incorporated Village of Bellport as of May 31, 2022 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Incorporated Village of Bellport, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 Incorporated Village of Bellport '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 Incorporated Village of Bellport '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 and schedule of changes in the Village's total OPEB liability and related ratios on pages 4 through 17 and 56 through 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information as listed in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any other form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Cullen & Danowski, LLP

February 13, 2023

INCORPORATED VILLAGE OF BELLPORT
MANAGEMENT’S DISCUSSION AND ANALYSIS

The Incorporated Village of Bellport’s (Village) discussion and analysis of financial performance provides an overall review of the Village’s financial activities for the fiscal 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, increased by \$142,132. This was due to an excess of revenues, including an operating transfer in of \$198,824, over expenses based on the economic resources measurement focus and the accrual basis of accounting. The resulting total net position at May 31, 2022, was \$3,603,937.
- The Village’s total net position for its business-type activities (golf fund), as reflected in the government-wide financial statements, increased by \$209,488. This was due to an excess of revenues over expenses, including an operating transfer out of \$198,824, based on the economic resources measurement focus and the accrual basis of accounting. The resulting total net position at May 31, 2022, was \$133,185.
- The general fund’s total fund balance, as reflected in the fund financial statements, decreased by \$187,554. This was due to an excess of expenditures and other financing uses over revenues and other financing sources based on the current financial resources measurement focus and the modified accrual basis of accounting. The resulting fund balance at May 31, 2022, was \$1,343,203.
- The Village’s 2021-2022 property tax levy of \$2,833,192 was an 8.67% increase over the 2020-2021 tax levy. The Village’s property tax cap was 2.28%. The Village’s 8.67% increase was approved by the Board of Trustees in an override vote as provided by law.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management’s Discussion and Analysis (MD&A), the financial statements, required supplementary information and other 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 BELLPORT
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 of the Village include general government support, public safety, transportation, culture and recreation, home and community services, debt service, and depreciation. The business-type activities of the Village is the golf course operation.

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 and proprietary funds.

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

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.

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 three individual governmental funds: general fund, water fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Proprietary Funds

The Village maintains one type of proprietary fund – enterprise fund. Enterprise funds report the same information as the business-type activities in the government-wide financial statements only in more detail. The Village uses an enterprise fund to account for its golf fund, which is considered to be a major fund of the Village. 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. The notes to financial statements can be found following the financial statements.

D. Other Information

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

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

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total governmental activities net position increased \$142,132 and the business-type activities net position increased by \$209,488 between fiscal years 2022 and 2021, including the operating transfers in and out of \$198,824. The increases are due to revenues in excess of expenses based on the economic resources measurement focus and the accrual basis of accounting. A summary of the Village's Statements of Net Position follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 4,977,495	\$ 5,564,558	\$ 3,596,353	\$ 3,263,923	\$ 8,573,848	\$ 8,828,481
Capital Assets, Net	10,195,216	9,945,995	2,145,833	2,272,013	12,341,049	12,218,008
Net Pension Asset - Proportionate Share	344,697		53,968		398,665	
Total Assets	15,517,408	15,510,553	5,796,154	5,535,936	21,313,562	21,046,489
Deferred Outflows of Resources	1,864,967	2,220,110	668,027	814,159	2,532,994	3,034,269
Liabilities						
Current and Other Liabilities	3,081,284	3,234,066	1,497,734	1,288,098	4,579,018	4,522,164
Long-Term Liabilities	2,546,604	3,104,475	332,505	409,657	2,879,109	3,514,132
Net Pension Liability - Proportionate Share		3,628		640		4,268
Total OPEB Liability	5,825,762	6,469,555	2,326,143	2,683,294	8,151,905	9,152,849
Total Liabilities	11,453,650	12,811,724	4,156,382	4,381,689	15,610,032	17,193,413
Deferred Inflows of Resources	2,324,788	1,457,134	2,174,614	2,044,709	4,499,402	3,501,843
Net Position (Deficit)						
Net Investment in Capital Assets	5,825,631	5,339,356	1,868,905	1,907,620	7,694,536	7,246,976
Restricted	66,470	437,000			66,470	437,000
Unrestricted (deficit)	(2,288,164)	(2,314,551)	(1,735,720)	(1,983,923)	(4,023,884)	(4,298,474)
Total Net Position (Deficit)	\$ 3,603,937	\$ 3,461,805	\$ 133,185	\$ (76,303)	\$ 3,737,122	\$ 3,385,502

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

Discussions on changes in each classification of the primary government are as follows:

The decrease in current and other assets is mainly due to decreases in accounts receivable, amounts due from state and federal, amounts due from other governments and prepaids, offset by an increase in cash.

The increase in capital assets, net is due to capital asset additions in excess of depreciation expense and loss on disposal. The accompanying Notes to Financial Statements, Note 8 "Capital Assets," provides additional information.

Net pension assets – proportionate share represents the Village's share of the New York State and Local Employees' Retirement System's collective net pension assets, at the measurement date of the respective year. In the current year, the Village's proportionate shares shifted from liabilities to assets. The accompanying Notes to Financial Statements Note 13 "Pension Plans – New York State," provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The increase in current and other liabilities is primarily due to increases in accounts payable and collections in advance, offset by decreases in retainage payable and bond anticipation notes payable.

The decrease in long-term liabilities is due to the repayment of the current maturity of the long-term indebtedness, offset by an increase in compensated absences payable.

Net pension liabilities – proportionate share represents the Village's share of the New York State and Local Employees' Retirement System's collective net pension liabilities, 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 13 "Pension Plans – New York State," provides additional information.

Total OPEB liability decreased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 15 "Postemployment Healthcare Benefits," provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years, as well as amounts related to service concession agreements.

The net investment in capital assets reflects the Village's investment at cost in capital assets such as land, buildings, site improvements, machinery and equipment and infrastructure, net of accumulated depreciation and related debt.

The restricted amount relates to the Village's reserves. This number decreased from the prior year principally due to the use of amounts restricted for the repayment of debt.

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

The unrestricted (deficit) amount 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.

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. A summary of this statement for the years ended May 31, 2022 and 2021 is as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services,						
Fees, Permits & Fines	\$1,500,830	\$1,237,302	\$2,646,917	\$2,533,308	\$4,147,747	\$3,770,610
Capital Grants	700,716	969,013			700,716	969,013
General Revenues						
Property Taxes	2,834,534	2,605,168			2,834,534	2,605,168
State Sources	150,152	122,531			150,152	122,531
Other	365,084	318,637			365,084	318,637
Total Revenues	5,551,316	5,252,651	2,646,917	2,533,308	8,198,233	7,785,959
Expenses						
General Government Support	1,404,651	1,458,814			1,404,651	1,458,814
Public Safety	502,775	534,152			502,775	534,152
Transportation	21,278	85,607			21,278	85,607
Culture & Recreation	735,157	629,534			735,157	629,534
Home & Community Services	1,907,003	1,865,018			1,907,003	1,865,018
Debt Service - Interest	94,924	114,900			94,924	114,900
Depreciation - Unallocated	942,220	632,963			942,220	632,963
Golf Course			2,238,605	2,169,986	2,238,605	2,169,986
Total Expenses	5,608,008	5,320,988	2,238,605	2,169,986	7,846,613	7,490,974
Increase/(Decrease) in						
Net Position	(56,692)	(68,337)	408,312	363,322	351,620	294,985
Operating transfers	198,824	210,000	(198,824)	(210,000)		
Changes in Net Position	\$ 142,132	\$ 141,663	\$ 209,488	\$ 153,322	\$ 351,620	\$ 294,985

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

Governmental Activities

The Village's governmental activities net position increased by \$142,132 and \$141,663 for the years ended May 31, 2022 and 2021, respectively.

The governmental activities' 2022 revenues increased by \$298,665 or 5.69% compared to fiscal 2021, primarily due to the following changes:

- Charges for services, fees, permits, and fines increased as a result of a growth in safety inspection fees, revenues from ferry service and tennis fees.
- Real property taxes were increased to fund increases in appropriations in the 2021-2022 budget.
- In the prior year, capital grants included FEMA grant revenue for the municipal dock project; however, the Village did not recognize a similar revenue in the current year.

The governmental activities expenses for the year increased by \$287,020 or 5.39% compared to fiscal 2021, mainly due to the following changes:

- Depreciation – unallocated increased as the dock project was completed in the prior year and placed into service. In addition, amounts include loss on disposal as a result of the removal of the pavilion at Ho-Hum beach.
- Culture and recreation increased largely due to increases in salaries and related employee benefits as programs were fully operational in the current year as compared to the prior year that was impacted by the COVID-19 pandemic.
- General support, public safety, and transportation decreased based on the impact of allocations of the net change in actuarially determined pension expenses for the employees retirement system and OPEB costs.

Business-Type Activities

The business-type activities net position increased by \$209,488 and \$153,322 for the years ended May 31, 2022 and 2021, respectively.

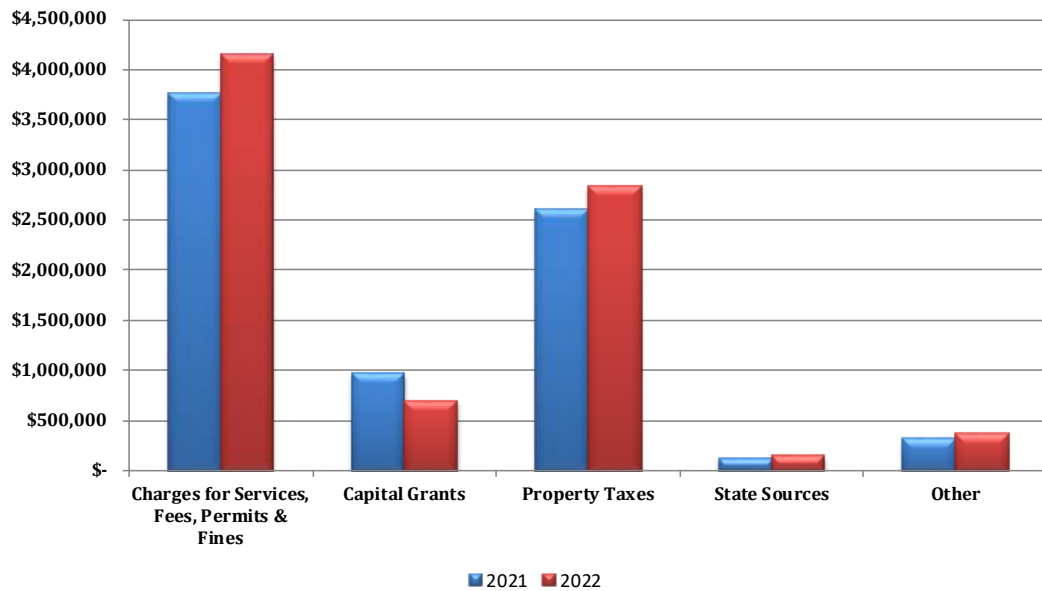
The business-type activities' 2022 revenues increased by \$113,609 or 4.48% compared to fiscal year 2021. This increase was primarily due to an increase in golf membership, as a result of new members, golf cart rentals, greens fees, and pro-shop sales.

The business-type activities' 2022 expenses and operating transfers out increased by \$57,443 or 2.41% compared to fiscal year 2021. This increase is primarily due to increases in golf course maintenance expenses, offset by decreases in employee benefit expenses as well as a decrease in operating transfers out.

As indicated on the graphs that follow, charges for services, fees, permits and fines, and property taxes are the largest components of revenues recognized (i.e., 85.2% and 81.9% of the total for the years 2022 and 2021, respectively). Home and community services and the golf course are the largest categories of expenses incurred (i.e., 52.8% and 54.0% of the total for the years 2022 and 2021, respectively).

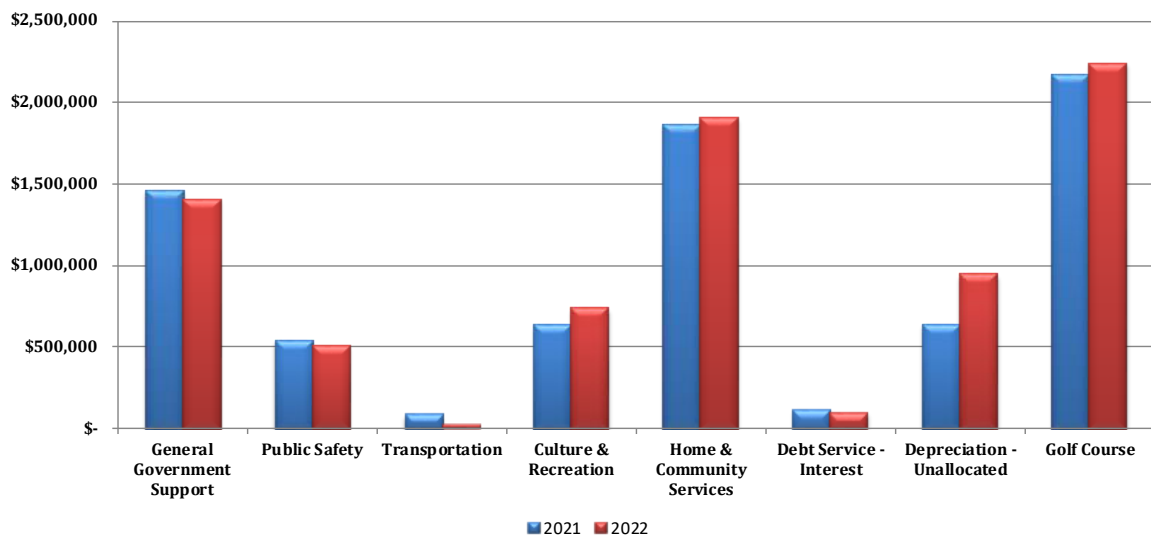
INCORPORATED VILLAGE OF BELLPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for Services, Fees, Permits & Fines	Capital Grants	Property Taxes	State Sources	Other
2021	48.4%	12.4%	33.5%	1.6%	4.1%
2022	50.6%	8.5%	34.6%	1.8%	4.5%

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



	General Government Support	Public Safety	Transportation	Culture & Recreation	Home & Community Services	Debt Service - Interest	Depreciation - Unallocated	Golf Course
2021	19.5%	7.1%	1.1%	8.4%	25.0%	1.5%	8.4%	29.0%
2022	17.9%	6.4%	0.3%	9.4%	24.3%	1.2%	12.0%	28.5%

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

4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUND BALANCES

As noted earlier, the Village uses fund accounting to maintain control over resources and to ensure and demonstrate compliance with finance-related legal requirements. The Village's governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting.

At May 31, 2022, the Village's governmental funds reported a combined fund balance deficit of \$1,033,054, which is a decrease of \$896,587 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in fund balance by fund is as follows:

	2022	2021	Increase (Decrease)	Percentage
General Fund				
Nonspendable: Prepaids	\$ 80,674	\$ 146,084	\$ (65,410)	(44.78)%
Restricted: Debt service	66,470	503,470	(437,000)	(86.80)%
Assigned:				
Unappropriated				
Repair of docks	33,690	53,690	(20,000)	(37.25)%
Employee liability	22,440	47,972	(25,532)	(53.22)%
Ferry hull painting		20,000	(20,000)	50.00 %
Tennis court repairs	30,000		30,000	N/A
Encumbrances	29,319	10,787	18,532	171.80 %
Appropriated fund balance	93,600	93,600	-	0.00 %
Unassigned: Fund balance	987,010	655,154	331,856	50.65 %
Total General Fund	<u>1,343,203</u>	<u>1,530,757</u>	<u>(187,554)</u>	(12.25)%
Water Fund				
Assigned: Unappropriated fund balance	<u>-</u>	<u>1,553</u>	<u>(1,553)</u>	(100.00)%
Capital Projects Fund				
Restricted: Unspent debt proceeds	411,792	833,800	(422,008)	(50.61)%
Unassigned: Fund balance	<u>(2,788,049)</u>	<u>(2,502,577)</u>	<u>(285,472)</u>	(11.41)%
Total Capital Projects Fund	<u>(2,376,257)</u>	<u>(1,668,777)</u>	<u>(707,480)</u>	(42.40)%
Total Fund Balance (Deficit)	<u>\$ (1,033,054)</u>	<u>\$ (136,467)</u>	<u>\$ (896,587)</u>	(657.00)%

A. General Fund

The net change in the general fund – fund balance is a decrease of \$187,554, as a result of expenditures and other financing uses of \$5,558,434 in excess of revenues and other financing sources of \$5,370,880. In the prior year, fund balance increased by \$542,443.

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

Revenues and other financing sources increased by \$67,109 or 1.27% over the prior year. The following is a summary of the major changes:

- Departmental income increased as a result of a growth in safety inspection fees, parks and recreational fees, and camp fees based on increased participation
- Real property taxes were increased to fund increases in appropriations in the 2021-2022 budget.
- Other financing sources decreased as, in the prior year, the Village transferred \$475,000 from the capital projects fund to the general fund, which represented the amount received from a SAM grant that was used to pay the BANs that were issued to temporarily fund the project.

Expenditures and other financing uses increased by \$797,106 or 16.74% over the prior year. The following is a summary of the major changes:

- Debt service increased as the Village began repayment of bonds issued in the prior year and redeemed the balance of outstanding bond anticipation notes that matured November 12, 2021.
- Culture and recreation increased largely due to increases in salaries and the purchase of equipment.

B. Water Fund

The water fund is used to account for expenditures related to an agreement with the Suffolk County Water Authority to provide water service to residents and water for fire protection, including the construction of the water system to supply these services. The Village submits payment for these costs annually to the water authority in accordance with this agreement. The decrease in assigned fund balance of \$1,533 is the result of a transfer out to the general fund as the Village dissolved the fund. Activity is now accounted for within the general fund.

C. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The fund balance decreased by \$707,480, as expenditures of \$1,010,893 exceeded revenues and other financing sources of \$303,413. The deficit fund balance in this fund will be funded when additional federal disaster recovery funds are recognized and as BANs are turned into permanent financing.

D. Proprietary Fund

The Village's proprietary fund statements provide the same information found in the government-wide financial statements, but in more detail. The net change in the golf fund's net position is an increase of \$209,488, compared to a \$153,322 increase in 2021, as revenues of \$2,646,917 exceeded expenses of \$2,437,429.

Operating revenues increased by \$113,609 or 4.48% over the prior fiscal year. The increases were primarily in golf memberships, golf tournaments and golf cart rentals, offset by a decrease in pro shop sales and greens fees. Operating Expenses increased by \$57,443 or 2.41% over the prior fiscal year. The increase was in golf course maintenance fees and renovations, offset by decreases in employee benefits and pro shop expenses.

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

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The Village's general fund adopted budget for the year ended May 31, 2022, was \$4,942,952. This amount was increased by encumbrances carried forward from the prior year in the amount of \$10,787 and budget revisions in the amount of \$650,132 for a total final budget of \$5,603,871.

The final budget was funded through estimated revenues. The majority of this funding source was \$2,833,192 in estimated real property taxes and \$1,264,587 in departmental income.

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, appropriations to fund the subsequent year's budget, amounts assigned for repair of docks, employee liability, ferry hull painting, and tennis court repairs, encumbrances, and amounts classified as nonspendable. 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	\$ 655,154
Revenues and Other Financing Sources Over Budget	373,928
Expenditures, Other Uses, and Encumbrances Under Budget	16,118
Change in Nonspendable Fund Balance	65,410
Allocation to Assignments	(30,000)
Appropriated for the 2022-2023 Budget	<u>(93,600)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 987,010</u></u>

Opening, Unassigned Fund Balance

The \$655,154 shown in the table is the portion of the Village's May 31, 2021 fund balance that was retained as unassigned.

Revenues and Other Financing Sources Over Budget

The 2021-2022 final budget for revenues and other financing sources was \$4,996,952. Actual revenues and other financing sources recognized for the year were \$5,370,880. The excess of actual revenues and other financing sources over estimated or budgeted revenues and financing sources was \$373,928, 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 BELLPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2021-2022 final budget for expenditures and other financing uses, including prior year open encumbrances as of May 31, 2021 and budget revisions was \$5,603,871. Actual expenditures and other financing uses were \$5,558,434 and outstanding encumbrances were \$29,319. Combined, the expenditures and other financing uses plus encumbrances for 2021-2022 were \$5,587,753. The final budget was under expended by \$16,118, 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.

Change in Nonspendable Fund Balance

The Village prepaid various items including workers' compensation insurance premiums and health insurance premiums at May 31, 2022. The resulting balance sheet asset (prepaids) cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The decrease in nonspendable fund balance increases unassigned fund balance.

Allocation to Assignments

Monies transferred into assignments do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the Village's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers.

The \$(30,000) shown in the previous table represents amounts assigned for tennis court repairs.

Appropriated Fund Balance

The Village has chosen to use \$93,600 of the available May 31, 2022 unassigned fund balance to partially fund the 2022-2023 approved operating budget. As such, the May 31, 2022 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary of changes shown on the previous table, the unassigned fund balance at May 31, 2022, was \$987,010.

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

A. Capital Assets

At May 31, 2022, the Village had invested in a broad range of capital assets, as indicated in the table below. The net increase in governmental activities capital assets is due to capital asset additions (\$1,191,440) in excess of loss on disposal (\$249,045) and depreciation expense (\$693,174). The net decrease in business-type activities capital assets is due to depreciation expense (\$147,058) in excess of capital asset additions (\$20,878). A summary of the Village's capital assets, net of accumulated depreciation at May 31, 2022 and 2021, is as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<u>Capital assets not being depreciated</u>						
Land	\$ 164,278	\$ 164,278	\$ 18,300	\$ 18,300	\$ 182,578	\$ 182,578
Construction work in progress	78,590	6,900	60,562	60,562	139,152	67,462
<u>Capital assets being depreciated</u>						
Buildings	2,808,823	3,186,244	955,463	998,704	3,764,286	4,184,948
Site improvements	3,239,009	3,406,705	289,947	309,114	3,528,956	3,715,819
Infrastructure	3,086,308	2,302,131	434,400	454,513	3,520,708	2,756,644
Machinery and equipment	818,208	879,737	387,161	430,820	1,205,369	1,310,557
	<u>\$10,195,216</u>	<u>\$9,945,995</u>	<u>\$2,145,833</u>	<u>\$2,272,013</u>	<u>\$12,341,049</u>	<u>\$12,218,008</u>

B. Debt Administration

Historically, the Village has issued serial bonds and other forms of debt to fund various capital projects and equipment acquisitions. The Village's long-term indebtedness at May 31st is summarized as follows:

Maturity	Interest Rate	Governmental Activities		Business-Type Activities		Total Primary Government	
		2022	2021	2022	2021	2022	2021
Bond Anticipation Notes							
2021	1.77%	\$	\$ 437,000	\$	\$	\$	\$ 437,000
Bonds							
2023	3.00-3.50%	\$ 32,300	\$ 62,900	\$	\$	\$ 32,300	\$ 62,900
1932	2.19%	142,268	154,639			142,268	154,639
1937	2.00%	1,870,000	1,971,200			1,870,000	1,971,200
2023	3.00-3.50%			62,700	122,100	62,700	122,100
1932	2.19%			202,732	220,361	202,732	220,361
		<u>\$2,044,568</u>	<u>\$2,188,739</u>	<u>\$ 265,432</u>	<u>\$ 342,461</u>	<u>\$2,310,000</u>	<u>\$2,531,200</u>
Capital Lease							
2026	2.45-9.04%	\$ 211,191	\$ 253,926	\$	\$	\$ 211,191	\$ 253,926
2024	4.31%			11,495	21,930	11,495	21,930
		<u>\$ 211,191</u>	<u>\$ 253,926</u>	<u>\$ 11,495</u>	<u>\$ 21,930</u>	<u>\$ 222,686</u>	<u>\$ 275,856</u>

The Village's latest underlying, long-term credit rating from Standard and Poor's Global Ratings is AA+.

State statutes limit the amount of general obligations a government entity may issue to 7.00% of a 5-year average full valuation. The current debt limitation for the Village is \$36,252,892, of which the Village has exhausted 13.43%, including bond anticipation notes, of the maximum debt allowed by state statutes, therefore, the Village's outstanding general obligation debt is significantly less than the Village's current debt limitations.

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

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 employee contracts or Village policies, and net pension liability – proportionate share and total other postemployment benefits liability, which are based on actuarial valuations.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Compensated absences payable	\$ 231,594	\$ 113,988	\$ 55,578	\$ 45,266	\$ 287,172	\$ 159,254
Net pension liability - proportionate share		3,628		640	-	4,268
Total OPEB liability	5,825,762	6,469,555	2,326,143	2,683,294	8,151,905	9,152,849
	<u>\$6,057,356</u>	<u>\$6,587,171</u>	<u>\$2,381,721</u>	<u>\$2,729,200</u>	<u>\$8,439,077</u>	<u>\$ 9,316,371</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Trustees, on April 4, 2022, approved a \$5,349,002 general fund budget for the year ending May 31, 2023, which is an increase of \$406,050 or 8.21% over the previous year's budget. The increase is principally in general support and transportation. The Village estimated revenues other than property taxes at a \$257,194 increase over the prior year's estimate. The assigned appropriated fund balance applied to the budget in the amount of \$93,600 remained the same as the prior year. The property tax levy of \$2,982,048 increased \$148,856 or 5.25% over the 2021-2022 tax levy.

B. Future Budgets

The continued need for additional resources, fluctuating rates in this inflationary environment, and increases in charges for goods may impact the Village's future budgets.

C. Tax Cap

New York 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 vote requires a 60% vote of the total voting power of the governing board. Based on the law, the Village's tax levy cap for 2022-2023 is 2.95%. The Village's increase of 5.25% in the 2022-2023 levy exceeded the tax cap, which was approved by the Board of Trustees.

8. CONTACTING THE VILLAGE

This financial report is designed to provide the Village's readers with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Village Clerk at the following:

Mr. John Kocay
Village Clerk
Incorporated Village of Bellport
29 Bellport Lane
Bellport, New York 11713

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

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Cash			
Unrestricted	\$ 1,322,374	\$ 1,807,006	\$ 3,129,380
Restricted	478,262		478,262
Receivables			
Taxes receivable	12,721		12,721
Accounts receivable	30,404	596,581	626,985
Accounts receivable, non-current		1,095,060	1,095,060
Due from state and federal	3,015,249	13,475	3,028,724
Due from other governments	37,811		37,811
Prepays	80,674	30,921	111,595
Inventory		53,310	53,310
Capital assets			
Not being depreciated	242,868	78,862	321,730
Being depreciated, net of accumulated depreciation	9,952,348	2,066,971	12,019,319
Net pension assets - proportionate share	344,697	53,968	398,665
	<u>15,517,408</u>	<u>5,796,154</u>	<u>21,313,562</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	717,283	112,303	829,586
Other postemployment benefits	1,147,684	555,724	1,703,408
	<u>1,864,967</u>	<u>668,027</u>	<u>2,532,994</u>
LIABILITIES			
Payables			
Accounts payable	204,187	154,525	358,712
Accrued liabilities	76,994	13,844	90,838
Retained percentages	27,091		27,091
Due to other governments	362	10,278	10,640
Due to employees' retirement system	22,654	3,547	26,201
Other liabilities	41,378		41,378
Notes Payable			
Bond anticipation	2,560,168		2,560,168
Unearned credits			
Collections in advance	148,450	1,315,540	1,463,990
Long-term liabilities			
Due and payable within one year			
Bonds payable, net	151,511	80,329	231,840
Capital lease payable	82,850	11,495	94,345
Due and payable after one year			
Bonds payable, net	1,952,308	185,103	2,137,411
Capital lease payable	128,341		128,341
Compensated absences payable	231,594	55,578	287,172
Total other postemployment benefits liability	5,825,762	2,326,143	8,151,905
	<u>11,453,650</u>	<u>4,156,382</u>	<u>15,610,032</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement		1,352,047	1,352,047
Pension	1,178,977	184,590	1,363,567
Other postemployment benefits	1,145,811	637,977	1,783,788
	<u>2,324,788</u>	<u>2,174,614</u>	<u>4,499,402</u>
NET POSITION			
Net investment in capital assets	5,825,631	1,868,905	7,694,536
Restricted: Debt	66,470		66,470
Unrestricted (Deficit)	<u>(2,288,164)</u>	<u>(1,735,720)</u>	<u>(4,023,884)</u>
	<u>\$ 3,603,937</u>	<u>\$ 133,185</u>	<u>\$ 3,737,122</u>

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for	Capital	Governmental	Business-type	Total
	Expenses	Services, Fees, Permits & Fines	Grants	Activities	Activities	Primary Government
FUNCTIONS/PROGRAMS						
Governmental Activities						
General government support	\$ 1,404,651	\$ 34,104	\$	\$ (1,370,547)	\$	\$ (1,370,547)
Public safety	502,775	368,734		(134,041)		(134,041)
Transportation	21,278		430,729	409,451		409,451
Culture and recreation	735,157	519,476	260,081	44,400		44,400
Home and community services	1,907,003	578,516	9,906	(1,318,581)		(1,318,581)
Debt service - interest	94,924			(94,924)		(94,924)
Depreciation and loss on disposal of building - unallocated	942,220			(942,220)		(942,220)
Total Functions and Programs	<u>\$ 5,608,008</u>	<u>\$ 1,500,830</u>	<u>\$ 700,716</u>	<u>(3,406,462)</u>	<u>-</u>	<u>(3,406,462)</u>
Business-type Activities						
Golf course	<u>\$ 2,238,605</u>	<u>\$ 2,646,917</u>	<u>\$</u>		408,312	408,312
GENERAL REVENUES						
Real property taxes				2,834,534		2,834,534
Other real property tax items				19,731		19,731
Nonproperty taxes				120,879		120,879
Use of money and property				154,641		154,641
Minor sales and compensation for loss				49,126		49,126
Miscellaneous				20,707		20,707
State sources - unrestricted				150,152		150,152
Total General Revenues				<u>3,349,770</u>	<u>-</u>	<u>3,349,770</u>
Change in Net Position Before Other Items				(56,692)	408,312	351,620
OTHER ITEMS						
Operating transfers				198,824	(198,824)	-
Change in Net Position				142,132	209,488	351,620
Total Net Position (Deficit) - Beginning of Year				<u>3,461,805</u>	<u>(76,303)</u>	<u>3,385,502</u>
Total Net Position - End of Year				<u>\$ 3,603,937</u>	<u>\$ 133,185</u>	<u>\$ 3,737,122</u>

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

	<u>General</u>	<u>Water</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash				
Unrestricted	\$ 1,158,478	\$ 2,520	\$ 161,376	\$ 1,322,374
Restricted	66,470		411,792	478,262
Receivables				
Taxes receivable	12,721			12,721
Accounts receivable	30,404			30,404
Due from other funds	339,513			339,513
Due from state and federal	21,143		2,994,106	3,015,249
Due from other governments	37,811			37,811
Prepays	80,674			80,674
Total Assets	<u>\$ 1,747,214</u>	<u>\$ 2,520</u>	<u>\$ 3,567,274</u>	<u>\$ 5,317,008</u>
LIABILITIES				
Payables				
Accounts payable	\$ 137,687	\$	\$ 66,500	\$ 204,187
Accrued liabilities	53,480			53,480
Due to other funds		2,520	336,993	339,513
Due to other governments	362			362
Due to employees' retirement system	22,654			22,654
Other liabilities	41,378			41,378
Notes Payable				
Bond anticipation			2,560,168	2,560,168
Unearned credits				
Collections in advance	148,450			148,450
Total Liabilities	<u>404,011</u>	<u>2,520</u>	<u>2,963,661</u>	<u>3,370,192</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues			2,979,870	2,979,870
FUND BALANCES (DEFICIT)				
Nonspendable: Prepays	80,674			80,674
Restricted:				
Debt service	66,470			66,470
Unspent debt proceeds			411,792	411,792
Assigned:				
Appropriated fund balance	93,600			93,600
Unappropriated fund balance				
Repair of docks	33,690			33,690
Employee liability	22,440			22,440
Tennis court repairs	30,000			30,000
Other purposes	29,319			29,319
Unassigned: Fund balance (Deficit)	987,010		(2,788,049)	(1,801,039)
Total Fund Balances (Deficit)	<u>1,343,203</u>	<u>-</u>	<u>(2,376,257)</u>	<u>(1,033,054)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,747,214</u>	<u>\$ 2,520</u>	<u>\$ 3,567,274</u>	<u>\$ 5,317,008</u>

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

Total Governmental Fund Balances	\$ (1,033,054)
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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 expensed annually over their useful lives.

Original cost of capital assets	\$ 17,806,642	
Less: Accumulated depreciation	<u>(7,611,426)</u>	
		10,195,216

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

Net pension asset - employees' retirement system	344,697	
Deferred outflows of resources	717,283	
Deferred inflows of resources	<u>(1,178,977)</u>	
		(116,997)

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	1,147,684	
Total other postemployment benefits liability	(5,825,762)	
Deferred inflows of resources	<u>(1,145,811)</u>	
		(5,823,889)

Some of the Village's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

2,979,870

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Accrued interest on debt payable	(23,514)	
Retainage payable	(27,091)	
Bonds payable, net	(2,103,819)	
Capital lease payable	(211,191)	
Compensated absences payable	<u>(231,594)</u>	
		<u>(2,597,209)</u>

Total Government-wide Net Position	<u>\$ 3,603,937</u>
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INCORPORATED VILLAGE OF BELLPORT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended May 31, 2022

	General	Water	Capital Projects	Total Governmental Funds
REVENUES				
Real property taxes	\$ 2,834,534	\$	\$	\$ 2,834,534
Other real property tax items	19,731			19,731
Nonproperty taxes	120,879			120,879
Departmental income	1,460,241			1,460,241
Use of money and property	154,641			154,641
Licenses and permits	27,754			27,754
Fines and forfeitures	12,835			12,835
Minor sales and compensation for loss	49,126			49,126
Miscellaneous	20,707			20,707
State aid	333,950		11,412	345,362
Federal aid	136,105		14,073	150,178
	<u>5,170,503</u>	<u>-</u>	<u>25,485</u>	<u>5,195,988</u>
Total Revenues	<u>5,170,503</u>	<u>-</u>	<u>25,485</u>	<u>5,195,988</u>
EXPENDITURES				
General support	1,086,415			1,086,415
Public safety	336,066			336,066
Transportation	262,535		259,411	521,946
Culture and recreation	573,343		684,136	1,257,479
Home and community services	1,331,981		67,346	1,399,327
Employee benefits	964,073			964,073
Debt service				
Principal	691,252			691,252
Interest	102,187			102,187
	<u>5,347,852</u>	<u>-</u>	<u>1,010,893</u>	<u>6,358,745</u>
Total Expenditures	<u>5,347,852</u>	<u>-</u>	<u>1,010,893</u>	<u>6,358,745</u>
Deficiency of Revenues over Expenditures	<u>(177,349)</u>	<u>-</u>	<u>(985,408)</u>	<u>(1,162,757)</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds of obligations			67,346	67,346
Operating transfers in	200,377		210,582	410,959
Operating transfers (out)	(210,582)	(1,553)		(212,135)
	<u>(10,205)</u>	<u>(1,553)</u>	<u>277,928</u>	<u>266,170</u>
Total Other Sources	<u>(10,205)</u>	<u>(1,553)</u>	<u>277,928</u>	<u>266,170</u>
Net Changes in Fund Balances	(187,554)	(1,553)	(707,480)	(896,587)
Fund Balances (Deficit) - Beginning of Year	<u>1,530,757</u>	<u>1,553</u>	<u>(1,668,777)</u>	<u>(136,467)</u>
End of Year	<u>\$ 1,343,203</u>	<u>\$ -</u>	<u>\$ (2,376,257)</u>	<u>\$ (1,033,054)</u>

INCORPORATED VILLAGE OF BELLPORT
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 Balances \$ (896,587)

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

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received). \$ 355,328

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 payable	(73,254)	282,074
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Capital Related Differences

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 loss on disposal of assets and depreciation expense in the period.

Capital outlays and other additions	1,191,440	
Loss on disposal of assets	(249,045)	
Depreciation expense	(693,174)	
	249,221	

Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental funds until it is due and payable because it does not require the use of current financial resources, but is a liability in the Statement of Net Position.

Retainage payable decreased from the prior year by:	106,934	356,155
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Long-Term Debt Transaction Differences

Proceeds from the issuance of debt 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.	(67,346)	
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The amortization of the deferred premiums on bonds decreases interest expense in the Statement of Activities.	7,219	
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Repayment of debt principal 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 anticipation notes principal	437,000	
Repayment of bond principal	144,171	
Repayment of capital lease payable	110,081	

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 the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from May 31, 2021 to May 31, 2022.

	44	631,169
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Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plan and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Employees' retirement system	145,996	
Other postemployment benefits	(376,675)	
		(230,679)

Change in Net Position of Governmental Activities	\$ 142,132	
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INCORPORATED VILLAGE OF BELLPORT
Statement of Net Position - Proprietary Fund - Golf Fund
May 31, 2022

ASSETS

Cash: Unrestricted	\$ 1,807,006
Receivables	
Accounts receivable	596,581
Accounts receivable, non-current	1,095,060
Due from state and federal	13,475
Prepays	30,921
Inventory	53,310
Capital assets	
Not being depreciated	78,862
Being depreciated, net of accumulated depreciation	2,066,971
Net pension assets - proportionate share	<u>53,968</u>
 Total Assets	 <u>5,796,154</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	112,303
Other postemployment benefits	<u>555,724</u>
 Total Deferred Outflows of Resources	 <u>668,027</u>

LIABILITIES

Payables	
Accounts payable	154,525
Accrued liabilities	13,844
Due to other governments	10,278
Due to employees' retirement system	3,547
Unearned credits	
Collections in advance	1,315,540
Long-term liabilities	
Due and payable within one year	
Bonds payable	80,329
Capital lease payable	11,495
Due and payable after one year	
Bonds payable	185,103
Compensated absences payable	55,578
Total other postemployment benefits liability	<u>2,326,143</u>
 Total Liabilities	 <u>4,156,382</u>

DEFERRED INFLOWS OF RESOURCES

Deferred service concession arrangement	1,352,047
Pension	184,590
Other postemployment benefits	<u>637,977</u>
 Total Deferred Inflows of Resources	 <u>2,174,614</u>

NET POSITION

Net investment in capital assets	1,868,905
Unrestricted (deficit)	<u>(1,735,720)</u>
 Total Net Position	 <u>\$ 133,185</u>

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

OPERATING REVENUES

Charges for Services:	
Golf memberships	\$ 1,485,072
Golf carts	359,150
Golf rental income	250,432
Greens fees	215,623
Golf tournaments	43,423
Pro shop	123,915
Other services	<u>169,302</u>
 Total Operating Revenues	 <u>2,646,917</u>

OPERATING EXPENSES

Golf course	1,381,945
Pro shop	456,364
Depreciation	147,058
Employee benefits	<u>245,309</u>
 Total Operating Expenses	 <u>2,230,676</u>
 Income from Operations	 416,241

NONOPERATING EXPENSES

Debt service, interest	7,929
Operating transfers out	<u>198,824</u>
 Total Nonoperating Expenses	 <u>206,753</u>
 Change in Net Position	 209,488
 Total Net Position (Deficit) - Beginning of year	 <u>(76,303)</u>
 Total Net Position - End of year	 <u><u>\$ 133,185</u></u>

INCORPORATED VILLAGE OF BELLPORT
Statement of Cash Flows - Proprietary Fund - Golf Fund
For the Year Ended May 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 2,705,950
Payments to suppliers and service providers	(1,423,579)
Payments to employees for salaries and benefits	<u>(434,625)</u>
Net Cash Provided by Operating Activities	847,746

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers to other funds	<u>(198,824)</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(20,878)
Principal paid on debt	(87,464)
Interest paid on debt	<u>(7,929)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(116,271)</u>

Net Increase in Cash	532,651
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Cash at Beginning of Year	<u>1,274,355</u>
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Cash at End of Year	<u><u>\$ 1,807,006</u></u>
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**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 416,241
Adjustments to reconcile operating income (loss)	
net cash provided by operating activities:	
Depreciation expense	147,058
(Increase) Decrease in:	
Accounts receivable	(69,008)
Accounts receivable, non-current	256,987
Prepays	17,538
Inventory	(5,296)
Deferred outflows of resources	146,132
Net pension asset - proportionate share	(53,968)
Increase (Decrease) in:	
Accounts payable	125,869
Accrued liabilities	(18,502)
Due to other governments	(2,409)
Due to employees' retirement system	(2,226)
Collections in advance	106,904
Compensated absences payable	10,312
Total other postemployment benefits liability	(357,151)
Net pension liability - proportionate share	(640)
Deferred service concession arrangement receipt	(233,441)
Pension	(3,880)
Other postemployment benefits	<u>367,226</u>
Net Cash Provided by Operating Activities	<u><u>\$ 847,746</u></u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Incorporated Village of Bellport (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 was incorporated in 1910 as a municipal government by the State of New York. The Village is vested with such powers and responsibilities inherent in the operation of a municipal government including the adoption of rules and regulations to govern its affairs. The Village is governed by its rules and regulations, New York State Village law and other general laws of New York State and various local laws. The Board of Trustees (the "Board") is the legislative body responsible for overall operations. The Board consists of the Mayor and four trustees elected at large to serve a two-year term. Trustees may serve an unlimited number of terms. The Mayor serves as Chief Executive Officer and the Treasurer serves as Chief Fiscal Officer. The Mayor, with the approval of the Board of Trustees appoints a Village Clerk and Village Treasurer to serve a two-year term. The Village Clerk serves as the tax collector. The Village provides the following basic services: Highway, Sanitation, Village Justice Court, Building and Zoning and other general 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 and criteria set forth by GASB. These criteria include legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities which 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 generally are financed through taxes, state aid, and other exchange and nonexchange transactions, while capital grants reflect capital specific grants. Business activities reflect exchange and nonexchange transactions of the golf fund.

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 and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, 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, fees, permits and fines, and (b) grants 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, utilities gross receipts tax, franchise fees, State aid revenue sharing and mortgage tax, are presented as general revenues.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use and balances 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.

Water Fund - is used to account for and report specific revenues and expenditures related to providing water service to certain areas within the Village.

Capital Projects Fund - is used to account for the financial resources used for the acquisition, construction, renovation or major repair of capital facilities and other capital assets, such as equipment, other than those financed by 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 is the Village's proprietary fund:

Golf Fund - the golf fund is an enterprise fund of the Village. This fund is self-supporting through membership fees and user charges.

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 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 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 fund 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 at the time liabilities are incurred, regardless of the timing of related cash transaction takes

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

place. 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 they 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 has 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs, and other postemployment benefits, 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 and capital leases are reported as other financing sources.

D. Real Property Taxes

The Village's real property taxes and special assessments are levied on May 15 of each fiscal year. Taxes are levied based upon the taxable value of all real property located within the Village. Taxes are recorded as a receivable, and are due in an annual installment on June 1. Payments must be received on or before July 1. Penalties are imposed, thereafter, at the rate of 5% for the first month and 1% per subsequent month. Unpaid taxes become a lien during March of the ensuing year. Current year delinquent property taxes not collected by the second Wednesday of March of the ensuing year could be placed on tax sale.

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.

In the government-wide statements, eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the proprietary fund.

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 is provided subsequently in these Notes to Financial Statements.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 the 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 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 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

Receivables are shown net of allowance for uncollectible amounts, if any. However, no allowance for uncollectible amounts has been provided since it is believed that such allowance would not be material.

J. Inventory and Prepaids

Proprietary fund inventory consists, principally, of athletic apparel and equipment to be sold by the golf course pro shop. Inventory is valued at the lower-of-cost or market, utilizing the first-in, first-out method, and is expensed when sold.

Purchases of inventorable items in the governmental funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaids represent payments made by the Village for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position and the Balance Sheet using the consumption method. A current asset for the prepaid item is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that prepaids do not constitute available spendable resources.

K. Capital Assets

Capital assets are reflected in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are reported at actual cost, when the information is available, or

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the government-wide and proprietary fund statements are as follows:

	<u>Capital Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	15-50 years
Site improvements	1,000	15-50 years
Infrastructure	1,000	20-30 years
Machinery and equipment	1,000	5-30 years

L. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets 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 is related to pensions and consists of the Village's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the Village's contributions to the pension system subsequent to the measurement date. The second item is related to OPEB and represents the change in total other postemployment benefits liability not included in OPEB expense.

M. Short-Term Debt

The Village may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. These notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

BANs that are replaced with long-term financing, or renewed subsequent to the year-end, are treated as long-term liabilities, as these notes will not require the use of working capital during that period.

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 charges for services monies are received in advance from payers prior to the services being rendered by the Village, such as summer tennis fees and golf memberships. 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.

O. Employee Benefits - Compensated Absences

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

Vacation eligibility and accumulation is specified in the Village's labor contracts or Village policies. Some

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination or death.

Sick leave eligibility and accumulation is specified in the Village's labor contracts or Village policies. Upon retirement, resignation or death, employees may contractually receive a payment based on 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 fund financial statements. The compensated absences liability is calculated based on the pay rates in effect at the end of the year.

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. Employee Benefits - 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 provides individual or family health insurance coverage for active employees pursuant to the Village's labor contracts and policies.

In addition to providing pension benefits, the Village provides individual, family or surviving spouse postemployment health insurance coverage for eligible retired employees. The Village's personnel manual, individual employment agreements, and collective bargaining agreements 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 cost of providing post-retirement benefits is shared between the Village and the retired employee. 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 and proprietary 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. 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 and proprietary fund.

In the fund financial statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

In the government-wide and proprietary fund financial statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

R. Deferred Inflows of Resources

Deferred inflows of resources are acquisitions of resources by the Village that are applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has four items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables of certain federal and state grants. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the government-wide financial statements, unavailable revenues are treated as revenues. The second is related to deferred service concession arrangement receipts, in the proprietary fund, which will be amortized over the life of the underlying agreements. The third item is related to the ERS reported in the Statement of Net Position and consists of the Village's proportionate share of changes in the collective net pension liability not included in collective pension expense. The fourth item is related to OPEB reported in the government-wide Statement of Net Position and represents the change in the total other postemployment benefits liability not included in OPEB expense.

S. Equity Classifications

Government-Wide and Proprietary Fund Statements

In the government-wide and proprietary fund statements there are three classes of net position:

Net investment capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets, net of 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 the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

Fund Statements

The 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:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of prepaids, which is recorded in the general fund.

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

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted for Debt Service

Unexpended balances of proceeds of borrowings for capital projects, interest, and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the general fund and held until appropriated for debt payments. These restricted amounts are accounted for in the general fund.

Restricted – Unspent Debt Proceeds

Unspent long-term debt proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects 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 includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. Assigned fund balance also includes the following assignments:

Repair of Docks

The Village has established a repair of docks assignment. This is used to pay the cost of repairs of capital improvements or equipment and is accounted for in the general fund. At May 31, 2022, the balance was \$33,690, after the Village appropriated \$20,000 to fund dock repairs during 2021 - 2022.

Employee Liability

The Village has established an employee liability assignment. This is used to for the payment of accrued employee benefits primarily based in unused and unpaid sick leave, personal leave and vacation time, which is accounted for in the general fund. A summary of activity for the year ended May 31, 2022, is as follows:

Balance at beginning of year	\$ 47,972
Appropriation from assigned for termination payouts	<u>(25,532)</u>
Balance at end of year	<u><u>\$ 22,440</u></u>

Ferry Hull Painting

The Village previously established a ferry hull painting assignment. This is used to pay the cost of repairs of capital improvements or equipment and is accounted for in the general fund. During the year ended May 31, 2022, the Village appropriated the remaining balance of \$20,000 to fund the painting of the ferry hull.

Tennis Court Repairs

The Village has established a tennis court repair assignment. This is used to pay the cost of repairs of to the Village's tennis courts and is accounted for in the general fund. At May 31, 2022, the balance was \$30,000.

INCORPORATED VILLAGE OF BELLPORT
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 is used to report a deficit fund balance resulting from the overspending of available resources.

Fund Balance Classification

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 of Trustees approved budget revision, then from the assigned fund balance to the extent appropriated by the Board, and then from the unassigned fund balance.

2. FUTURE ACCOUNTING STANDARDS

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 statements that the Village feels may have a future impact on these financial statements. The Village will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
May 31, 2023	GASB No. 87 - <i>Leases</i>
May 31, 2024	GASB No. 96 – <i>Subscription Based Information Technology Arrangements</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. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

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

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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/disposal 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 payments 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 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 health insurance 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. Budgetary Information

The Village’s management submits a proposed budget for approval by the Board of Trustees for the general fund, the only fund with a legally adopted budget. Budgets are adopted annually on a basis consistent with

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

GAAP. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund. A public hearing is held on the tentative budget by April 15th. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1st. All subsequent modifications of the budget must be approved by the Board of Trustees.

Appropriations are established by the 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 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 (when permitted by law) and appropriation of fund balances. These 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. The following supplemental appropriations occurred during the year:

General Fund

Ferry hull painting funded by assigned fund balance	\$ 20,000
Dock repairs funded by assigned fund balance	20,000
Park expenditures funded by additional revenue	8,737
Paving funded by additional state aid	64,513
Transfer to capital for BAN payment	
funded by restricted fund balance	437,000
Transfer to capital for pavilion project	
funded by ARP Act funds	74,350
Retiree payouts funded by assigned fund balance	25,532
	<u>\$ 650,132</u>

Golf Fund

Contingent expenses funded by additional revenues	<u>\$ 251,689</u>
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Budgets are adopted on a basis consistent with GAAP.

Budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to the subsequent fiscal years until the completion of the projects.

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 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.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Capital Projects Fund

The capital projects fund has an unassigned fund balance deficit of \$2,788,049. This will be funded when the Village recognizes revenue from federal and state disaster recovery grants and obtains permanent financing for its current construction projects.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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.

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 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.

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

The Village did not have any investments at year-end or during the year. Consequently, the Village was not exposed to any material credit risk, interest rate risk or concentration of credit risk.

6. DUE FROM STATE AND FEDERAL

Due from state and federal at May 31, 2022 consisted of:

Governmental Activities

General Fund

FEMA Hurricane Relief	\$ 15,376
Town of Brookhaven - paving	5,767
	<u>21,143</u>

Capital Projects Fund

FEMA - 2017	14,236
FEMA - municipal dock	2,681,196
NYS - multimodal resurfacing	50,000
NYS - Bellport Lane road repaving	248,674
	<u>2,994,106</u>

Business Activities

Golf Fund	<u>13,475</u>
	<u>\$ 3,028,724</u>

Village management expects these amounts to be fully collectible.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. DUE FROM OTHER GOVERNMENTS

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

Governmental Activities

General Fund

Suffolk County - mortgage tax \$ 37,811

Village management expects these amounts to be fully collectible.

8. CAPITAL ASSETS

A. Changes

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

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 164,278	\$	\$	\$ 164,278
Construction work in progress	6,900	71,690		78,590
Total capital assets not being depreciated	<u>171,178</u>	<u>71,690</u>	<u>-</u>	<u>242,868</u>
Capital assets being depreciated				
Buildings	4,384,803		(285,711)	4,099,092
Site improvements	3,813,085	20,074		3,833,159
Infrastructure	5,654,148	1,006,180		6,660,328
Machinery and equipment	2,877,699	93,496		2,971,195
Total capital assets being depreciated	<u>16,729,735</u>	<u>1,119,750</u>	<u>(285,711)</u>	<u>17,563,774</u>
Less accumulated depreciation for:				
Buildings	1,198,559	128,376	(36,666)	1,290,269
Site improvements	406,380	187,770		594,150
Infrastructure	3,352,017	222,003		3,574,020
Machinery and equipment	1,997,962	155,025		2,152,987
Total accumulated depreciation	<u>6,954,918</u>	<u>693,174</u>	<u>(36,666)</u>	<u>7,611,426</u>
Total capital assets being depreciated, net	<u>9,774,817</u>	<u>426,576</u>	<u>(249,045)</u>	<u>9,952,348</u>
Capital assets, net	<u>\$ 9,945,995</u>	<u>\$ 498,266</u>	<u>\$ (249,045)</u>	<u>\$ 10,195,216</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 18,300	\$	\$	\$ 18,300
Construction work in progress	60,562			60,562
Total capital assets not being depreciated	78,862	-	-	78,862
Capital assets being depreciated				
Buildings	2,246,733			2,246,733
Site improvements	594,027	9,760		603,787
Infrastructure	603,033			603,033
Machinery and equipment	935,669	11,118	(1,828)	944,959
Total capital assets being depreciated	4,379,462	20,878	(1,828)	4,398,512
Less accumulated depreciation for:				
Buildings	1,248,029	43,241		1,291,270
Site improvements	284,913	28,927		313,840
Infrastructure	148,520	20,113		168,633
Machinery and equipment	504,849	54,777	(1,828)	557,798
Total accumulated depreciation	2,186,311	147,058	(1,828)	2,331,541
Total capital assets being depreciated, net	2,193,151	(126,180)	-	2,066,971
Capital assets, net	\$ 2,272,013	\$ (126,180)	\$ -	\$ 2,145,833

Depreciation is recorded on the straight-line basis over the estimated useful lives, in years, of the respective assets.

B. Impairment Losses

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2022, the Village has not recorded any such impairment losses.

9. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 339,513	\$	\$ 200,377	\$ 210,582
Water Fund		2,520		1,553
Capital Projects Fund		336,993	210,582	
Total Governmental Funds	339,513	339,513	410,959	212,135
Golf Fund				198,824
Total	\$ 339,513	\$ 339,513	\$ 410,959	\$ 410,959

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

All interfund balances are expected to be repaid within one year. The Village transfers from the golf fund to the general fund in accordance with the annual budget for administrative costs. The transfer from the water fund to the general fund was done to close out the water fund. The transfer from the general fund to the capital projects fund was to provide funding for capital improvement projects and for the repayment of principal on the outstanding BANs.

10. COLLECTIONS IN ADVANCE

As of May 31, 2022, collections in advance in the general fund consisted of property tax liens of \$12,721, tennis fees of \$70,000 and kid's camp fees of \$65,729, while collections in advance in the proprietary fund consisted of prorated annual membership fees of \$1,315,540.

11. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Issue Date	Maturity	Interest Rate	Balance May 31, 2021	Issued	Redeemed	Balance May 31, 2022
Governmental Activities							
Improvements to Municipal Dock - 2020	2/25/21	2/24/22	1.75%	\$ 2,246,400	\$	\$ (2,246,400)	\$ -
Improvements to Municipal Dock - 2021	3/31/21	2/24/22	1.75%	450,000		(450,000)	-
Improvements to Municipal Dock - 2020	2/24/22	2/23/23	2.70%	-	2,128,168		2,128,168
Improvements to Municipal Dock - 2021	2/24/22	2/23/23	2.70%	-	432,000		432,000
				<u>\$ 2,696,400</u>	<u>\$ 2,560,168</u>	<u>\$ (2,696,400)</u>	<u>\$ 2,560,168</u>

Interest on short-term debt for the governmental activities was composed of:

Interest paid	\$ 47,624
Less interest accrued in the prior year	(12,256)
Plus interest accrued in the current year	<u>18,181</u>
Total interest expense on short-term debt	<u>\$ 53,549</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activities for the governmental and business-type activities, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
Bond anticipation notes	\$ 437,000	\$	\$ (437,000)	\$ -	\$ -
Bonds payable	2,188,739		(144,171)	2,044,568	144,671
Premium on obligation	66,470		(7,219)	59,251	6,840
Capital leases payable	253,926	67,346	(110,081)	211,191	82,850
	2,946,135	67,346	(698,471)	2,315,010	234,361
Other long-term liabilities:					
Compensated absences	158,340	98,786	(25,532)	231,594	-
	<u>\$ 3,104,475</u>	<u>\$ 166,132</u>	<u>\$ (724,003)</u>	<u>\$ 2,546,604</u>	<u>\$ 234,361</u>

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Business-Type Activities:					
Long-term debt:					
Bonds payable	\$ 342,461	\$	\$ (77,029)	\$ 265,432	\$ 80,329
Capital leases payable	21,930		(10,435)	11,495	11,495
	364,391	-	(87,464)	276,927	91,824
Other long-term liabilities:					
Compensated absences	45,266	10,312		55,578	-
	<u>\$ 409,657</u>	<u>\$ 10,312</u>	<u>\$ (87,464)</u>	<u>\$ 332,505</u>	<u>\$ 91,824</u>

The general fund has typically been used to liquidate long-term liabilities for the governmental activities. The proprietary fund (golf fund) has typically been used to liquidate long-term liabilities for the business-type activities.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Serial Bonds

Serial bonds are comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2022
Governmental Activities:				
Public improvement				
Serial bond	2009	7/15/23	3.00-3.50%	\$ 32,300
Garbage truck	2016	7/15/32	2.19%	142,268
Village Improvements	2021	10/15/37	2.00%	1,870,000
				<u>\$ 2,044,568</u>
Business-type Activities:				
Golf course renovation				
Serial bond	2009	7/15/23	3.00-3.50%	\$ 62,700
Serial bond - bulk head	2016	7/15/32	2.190%	202,732
				<u>\$ 265,432</u>

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

Year Ending May 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 144,671	\$ 40,511	\$ 80,329	\$ 6,442
2024	112,371	37,109	17,629	3,861
2025	119,433	34,766	20,567	3,442
2026	119,433	32,350	20,567	2,992
2027	124,433	29,884	20,567	2,542
2028-2032	654,227	110,654	105,773	5,920
2033-2037	635,000	45,950		
2038	135,000	1,350		
	<u>\$ 2,044,568</u>	<u>\$ 332,574</u>	<u>\$ 265,432</u>	<u>\$ 25,199</u>

C. Deferred Premium on Obligation

On May 25, 2021, the Village issued serial bonds in the amount of \$1,971,200 and, as part of the issuance, the Village received \$66,470 in premiums. The bond issuance premiums are being amortized as a component of interest expense on a weighted-average basis over the remaining life of the bonds, as follows:

Year Ending May 31,	Deferred Premium
2023	\$ 6,840
2024	6,464
2025	6,079
2026	5,685
2027	5,281
2028-2032	20,014
2033-2037	8,635
2038	253
	<u>\$ 59,251</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Capital Lease Payable

Governmental Activities

On November 16, 2017, the Village entered into a lease agreement as lessee for financing the acquisition of a dump truck valued at \$77,474. The liability for this obligation is payable annually and matures in January 2022, with an interest rate of 5.95%. This year, \$15,495 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of future minimum lease payments as of the inception date.

On December 28, 2017, the Village entered into a lease agreement as lessee for financing the acquisition of a Caterpillar payloader valued at \$135,454. The liability for this obligation is payable annually and matures in December 2022, with an interest rate of 4.20%. This year, \$7,304 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of future minimum lease payments as of the inception date.

On July 1, 2018, the Village entered into a lease agreement as lessee for financing the acquisition of computer equipment valued at \$19,256. The liability for this obligation is payable annually and matures in July 2022, with an interest rate of 9.036%. This year, \$2,751 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of future minimum lease payments as of the inception date.

On October 27, 2020, the Village entered into a lease agreement as lessee for financing the acquisition of a work boat and a freightliner sanitation truck valued at \$227,834. The liability for this obligation is payable annually and matures in January 2025, with an interest rate of 2.45%. This year, \$22,701 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of future minimum lease payments as of the inception date.

On January 28, 2022, the Village entered into a lease agreement as lessee for financing the acquisition of a wheelchair van for the senior program valued at \$67,346. The liability for this obligation is payable monthly and matures January 28, 2027 with an interest rate of 3.857%. This year, \$3,207 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at present value of future minimum lease payments as of the inception date.

Business-Type Activities

On June 30, 2017, the Village entered into a lease agreement as lessee for financing the acquisition of a mower valued at \$62,072. The liability for this obligation is payable annually and matures in June 2022, with an interest rate of 4.31%. This year, \$13,799 was included in depreciation expense related to this lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of future minimum lease payments as of the inception date.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of May 31, 2022, were as follows:

Year Ending May 31,	Governmental Activities	Business-Type Activities
2023	\$ 89,216	\$ 12,000
2024	58,401	
2025	58,401	
2026	10,567	
2027	7,045	
Total minimum lease payments	223,630	12,000
Less: amounts representing interest	(12,439)	(505)
Total	<u>\$ 211,191</u>	<u>\$ 11,495</u>

E. Interest Expense

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

	Governmental Activities	Business-Type Activities
Interest paid	\$ 54,563	\$ 8,831
Less interest accrued in the prior year	(11,302)	(3,336)
Plus interest accrued in the current year	5,333	2,434
Less amortization of deferred premiums	(7,219)	
Total interest expense on long-term debt	<u>\$ 41,375</u>	<u>\$ 7,929</u>

F. Unissued Debt

On January 25, 2021, the Village authorized the issuance of \$600,000 in bonds for the Brown's Lane bulkhead project and \$500,000 for the Rock dock repair. As of May 31, 2022, debt in the amount of \$1,000,000 has been issued to provide funding for the projects and \$100,000 remains unissued.

13. PENSION PLANS – NEW YORK STATE

A. General Information

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

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. 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 ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and 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 Village also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. The report, including information with regard to benefits provided 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.

C. Funding Policy

Plan members who joined the system before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended 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 by the ERS for the current year. The Village's average contribution rate was 13.52% of covered payroll for the ERS' fiscal year ended March 31, 2022.

The Village's share of the required contributions, based on covered payroll for the Village's year ended May 31, 2022 was \$223,567 at an average contribution rate of 15.21%.

D. 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 ERS. 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 asset	\$ 398,665
Village's portion of the Plan's total net pension asset	0.0048769%
Change in proportion since the prior measurement date	0.0005904

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

For the year ended May 31, 2022, the Village recognized pension expense of \$49,076 for ERS. At May 31, 2022, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Governmental		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,104	\$ 33,859	\$ 4,087	\$ 5,301
Changes of assumptions	575,261	9,707	90,067	1,520
Net difference between projected and actual earnings on pension plan investments		1,128,738		176,724
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	93,264	6,673	14,602	1,045
Village contributions subsequent to the measurement date	22,654		3,547	
Total	<u>\$ 717,283</u>	<u>\$ 1,178,977</u>	<u>\$ 112,303</u>	<u>\$ 184,590</u>

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 of resources related to pensions will be recognized in pension expense as follows:

Year Ending May 31,	Governmental	Business-Type
2023	\$ (61,532)	\$ (9,634)
2024	(100,854)	(15,790)
2025	(272,813)	(42,714)
2026	(49,149)	(7,696)
	<u>\$ (484,348)</u>	<u>\$ (75,834)</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 valuation as of April 1, 2020 used the same assumptions for the measurement of total pension liability. The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

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

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
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 equity	10.0%	6.50%
Alternative investments	10.0%	3.78-5.58%
Fixed income	23.0%	0.00%
Cash	1.0%	-1.00%
	<u>100.0%</u>	

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

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Discount Rate

The discount rate used to calculate 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 ERS' 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%
Village's proportionate share of the net pension asset / (liability)	<u>\$ (1,026,160)</u>	<u>\$ 398,665</u>	<u>\$ 1,590,463</u>

Pension Plan Fiduciary Net Position

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

Measurement date	March 31, 2022
	(Dollars in thousands)
Employers' total pension liability	\$ (223,874,888)
Plan fiduciary net position	<u>232,049,473</u>
Employers' net pension asset	<u>\$ 8,174,585</u>
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 system's 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 \$26,201 of employer contributions. Employee contributions are remitted monthly.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. PENSION PLANS – OTHER

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. The amount deferred by eligible employees for the year ended May 31, 2022 totaled \$14,438.

15. 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 Village's labor contracts or Village policies. The plan is a single-employer defined benefit OPEB plan administered through 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 reimbursements 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 June 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>19</u>
	<u>27</u>

B. Total OPEB Liability

The Village's total OPEB liability of \$8,151,905 was measured as of May 31, 2022, and was determined by an actuarial valuation as of June 1, 2020.

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	2.50%	
Salary increases	3.50%	average, including inflation
Discount rate	3.16%	
Healthcare cost trend rates	6.50%	for 2022, decreasing to an ultimate rate of 5.00% by 2025
Retirees' share of benefit-related costs	0.00%	of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer's 20 Bond Index.

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Unisex pre-retirement mortality rates (combined accidental and all other death rates) and post-retirement mortality rates for healthy participants (sex distinct for non-police employees and retirees) using projection scale MP 2020. The prior valuation used projection scale MP-2017.

For the following demographic (mortality, retirement, disability, and other termination of employment) assumptions, the rates developed in the report, "Development of Recommended Actuarial Assumptions" were utilized for the New York/SUNY GASB 75 Valuation prepared by the AON Hewitt dated June 2019.

C. Changes in the Total OPEB Liability

	Governmental Activities	Business-Type Activities	Total Primary Government
Balance at May 31, 2021	\$ 6,469,555	\$ 2,683,294	\$ 9,152,849
Changes for the year			
Service cost	316,787	97,162	413,949
Interest on total OPEB liability	147,625	60,664	208,289
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(955,142)	(468,713)	(1,423,855)
Benefit payments	(153,063)	(46,264)	(199,327)
	<u>(643,793)</u>	<u>(357,151)</u>	<u>(1,000,944)</u>
Balance at May 31, 2022	<u>\$ 5,825,762</u>	<u>\$ 2,326,143</u>	<u>\$ 8,151,905</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.20% in 2021 to 3.16% in 2022.

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 (2.16%) or 1 percentage point higher (4.16%) than the current discount rate:

	1% Decrease 2.16 %	Discount Rate 3.16 %	1% Increase 4.16 %
<u>Governmental Activities</u>			
Total OPEB liability	<u>\$ (6,825,396)</u>	<u>\$ (5,825,762)</u>	<u>\$ (5,024,067)</u>
<u>Business-Type Activities</u>			
Total OPEB liability	<u>\$ (2,817,086)</u>	<u>\$ (2,326,143)</u>	<u>\$ (1,946,710)</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 (5.50% to 4.00%) or 1 percentage point higher (7.50% to 6.00%) than the current healthcare cost trend rate:

	1% Decrease 5.50% decreasing to 4.00%	Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
Governmental Activities			
Total OPEB liability	<u>\$ (4,860,179)</u>	<u>\$ (5,825,762)</u>	<u>\$ (7,059,878)</u>
	1% Decrease 5.50% decreasing to 4.00%	Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
Business-Type Activities			
Total OPEB liability	<u>\$ (1,868,611)</u>	<u>\$ (2,326,143)</u>	<u>\$ (2,956,263)</u>

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

For the year ended May 31, 2022, the Village recognized OPEB expense of \$529,738 and \$172,076 for the governmental activities and business-type activities, respectively. At May 31, 2022, the Village reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Differences between expected and actual experience	\$ 322,726	\$ 96,690	419,416	\$ 73,204	\$ 82,405	\$ 155,609
Changes of assumptions	824,958	459,034	1,283,992	1,072,607	555,572	1,628,179
	<u>\$ 1,147,684</u>	<u>\$ 555,724</u>	<u>1,703,408</u>	<u>\$ 1,145,811</u>	<u>\$ 637,977</u>	<u>\$ 1,783,788</u>

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

Year Ending June 30,	Governmental Activities	Business-Type Activities	Total Primary Government
2023	\$ 65,326	\$ 14,250	\$ 79,576
2024	65,326	14,250	79,576
2025	65,326	14,250	79,576
2026	53,423	9,889	63,312
2027	(95,227)	(12,890)	(108,117)
Thereafter	<u>(152,301)</u>	<u>(122,002)</u>	<u>(274,303)</u>
	<u>\$ 1,873</u>	<u>\$ (82,253)</u>	<u>\$ (80,380)</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

16. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources consisted of the following:

Capital Projects Fund:

FEMA - municipal dock	\$ 2,681,196
NYS - Multimodal grant	50,000
NYS - DOT grant	<u>248,674</u>
Total	<u>\$ 2,979,870</u>

17. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$93,600 has been appropriated to reduce taxes for the year ending May 31, 2023.

18. COMMITMENTS AND CONTINGENCIES

A. Risk Management

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. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. 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; the Village may be required to make for taxes collected through May 31, 2022, which could affect future operating budgets of the Village.

C. Litigation

Certain legal actions are pending against the Village and are being handled by the Village's insurance carrier. The Village believes any exposure to the Village outside its insurance protection would not be material.

D. Lease Commitments and Leased Assets

Operating Leases

The Village is committed under various non-cancelable operating leases, primarily for equipment. The leases expire on various dates through May 2024 unless renewed. Total rental expenditures were \$4,236 in the governmental funds and \$130,727 in the proprietary fund for the year ended May 31, 2022.

Future minimum operating lease commitments are as follows:

<u>Year Ending May 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2023	\$ 3,946	\$ 130,727
2024	<u>2,950</u>	
	<u>\$ 6,896</u>	<u>\$ 130,727</u>

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Lessor Agreements

The Village derives revenues from several lease agreements to lease certain land to the Bellport Bay Yacht Club. In addition, the Village has entered into a lease to lease certain land for installation of a cell phone tower, for which rental fees are based on a percentage of usage. The leases expire on various dates through May 2022, unless renewed. Total rentals received were \$150,132 in the governmental funds for the year ended May 31, 2022.

F. Service Concession Arrangements

The Village has a concessionaire agreement with South Country Caters, Inc. to operate the facilities located at the Bellport Country Club. The concessionaire agreement is for 25 years and expires May 31, 2027. South Country Caters, Inc. will pay the Village installment payments over the course of the arrangement. The present value of these installment payments is estimated to be \$1,262,047 at May 31, 2022. Total installment payments recognized under this agreement were \$218,441 for the business-type activities for the year ended May 31, 2022.

The Village has a concessionaire agreement with Peter's on the Green to operate the Grill Room located at the Bellport Country Club. The concessionaire agreement is for 10 years and expires December 2027. Peter's on the Green will pay the Village installment payments over the course of the arrangement. The present value of these installment payments is estimated to be \$90,000 at May 31, 2022. Total installment payments received under this agreement were \$12,100 for the business-type activities for the year ended May 31, 2022.

The Village reports a receivable and deferred inflow of resources in the amount of \$1,352,047 at May 31, 2022, pursuant to these service concession arrangements. Of the \$1,352,047 accounts receivable, \$256,987 is presented as a current asset and the remaining amount of \$1,095,060 is shown as a non-current asset in the Statement of Net Position of the business-type activities.

Future minimum installments to be received under these service concession arrangements are as follows:

<u>Year Ending May 31,</u>	<u>Business-Type Activities</u>
2023	\$ 256,987
2024	263,676
2025	270,506
2026	277,086
2027	<u>283,792</u>
	<u>\$ 1,352,047</u>

G. Grants

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

INCORPORATED VILLAGE OF BELLPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. Encumbrances

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

Assigned, Unappropriated Fund Balance

General Fund

General government support	\$ 1,295
Culture and recreation	21,679
Home and community services	6,345
	<u>29,319</u>

Enterprise Fund

Golf Fund

Golf course	141,919
	<u>\$ 171,238</u>

I. Other Commitments

In March 2015, the Village entered into an agreement with Parkland Golf Management, Inc. ("Parkland") to maintain and repair the Bellport Golf Club and its curtilage at the Bellport Country Club. Parkland shall be responsible for all appropriate and necessary costs and expenses in connection with the maintenance and repair of the golf course including mowing, aerification, fertilization, interseeding, bunker maintenance, irrigation, pest management, trash and debris removal, tree maintenance and grounds maintenance. The terms of the initial agreement was for the period March 1, 2015 through February 29, 2016 with the option to extend the term for either an additional 5 years or an additional 10 years. In March 2016, the Village extended the agreement an additional 5 years expiring February 2021. In October 2020, the Village extended the agreement an additional 10 years. The annual fee for the first year will be \$901,937 increasing 1% each year through 2031 minus credits each year as agreed upon by the two parties. Total expenses under this agreement were \$904,192 for the year ended May 31, 2022, and are included within the golf course operating expenses of the proprietary fund.

19. SUBSEQUENT EVENTS

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

INCORPORATED VILLAGE OF BELLPORT
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	\$ 2,833,192	\$ 2,833,192	\$ 2,834,534	\$ 1,342
Other Real Property Tax Items				
Interest and penalties on real property tax items			19,731	19,731
Non-Property Tax Items				
Utilities gross receipts tax	10,000	10,000	56,648	46,648
Franchise fees	60,000	60,000	64,231	4,231
Total Non-Property Tax Items	70,000	70,000	120,879	50,879
Departmental Income				
Treasurer	65,000	65,000	6,100	(58,900)
Tax advertising	4,000	4,000	250	(3,750)
Safety inspection	181,850	181,850	355,899	174,049
Ferry	60,000	60,000	81,035	21,035
Park recreational	64,000	72,737	104,637	31,900
Marina	229,500	229,500	239,848	10,348
Camp	81,000	81,000	93,956	12,956
Refuse and garbage	570,500	570,500	578,516	8,016
Total Departmental Income	1,255,850	1,264,587	1,460,241	195,654
Use of Money and Property				
Interest and earnings	10,000	10,000	4,509	(5,491)
Rental of property	127,650	127,650	150,132	22,482
Total Use of Money & Property	137,650	137,650	154,641	16,991
Licenses and Permits				
License fees	7,000	7,000	27,754	20,754
Fines and Forfeitures				
Fines and forfeitures	16,500	16,500	12,835	(3,665)
Sales and Compensation for Loss				
Minor sales	27,000	27,000	29,645	2,645
Sale of real property			6,878	6,878
Insurance recoveries	17,000	17,000	12,603	(4,397)
Total Minor Sales and Compensation for Loss	44,000	44,000	49,126	5,126
Miscellaneous				
Gifts & donations			1,500	1,500
Other unclassified revenue	10,000	10,000	19,207	9,207
Total Miscellaneous	10,000	10,000	20,707	10,707
State Aid				
Revenue sharing	16,336	16,336	16,336	-
Mortgage tax	65,000	65,000	133,816	68,816
Grants - general	60,000	60,000		(60,000)
Consolidated highway aid	100,000	164,513	183,798	19,285
Total State Aid	241,336	305,849	333,950	28,101
Federal Aid				
Emergency disaster assistance	35,000	109,350	136,105	26,755
Total Revenues	4,650,528	4,798,128	5,170,503	372,375
OTHER FINANCING SOURCES				
Operating transfer in	198,824	198,824	200,377	1,553
Total Revenues and Other Sources	4,849,352	4,996,952	5,370,880	\$ 373,928
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	93,600	93,600		
Prior Year's Encumbrances	10,787	10,787		
Appropriated Fund Balance		502,532		
Total Appropriated Fund Balance	104,387	606,919		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	\$ 4,953,739	\$ 5,603,871		

INCORPORATED VILLAGE OF BELLPORT
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 Support					
Legislative	\$ 21,800	\$ 15,750	\$ 15,750	\$	\$ -
Village Court	17,900	14,239	14,239		-
Executive	9,000	9,857	9,857		-
Auditor	66,750	63,550	63,550		-
Treasurer	210,053	158,261	158,261		-
Assessment	10,000	13,375	13,375		-
Fiscal Agent	20,500	21,904	21,904		-
Clerk	295,802	349,906	349,906		-
Law	65,000	103,913	103,913		-
Election	3,450	2,134	2,134		-
Operation of buildings	156,774	146,175	144,401	1,295	479
Unallocated insurance	180,000	179,788	179,788		-
Municipal association dues	4,000	3,464	3,464		-
MTA tax	6,500	6,500	5,873		627
Other governmental support	10,000				-
Total General Support	1,077,529	1,088,816	1,086,415	1,295	1,106
Public Safety					
Safety inspections	149,017	138,216	138,210		6
Other	186,817	197,859	197,856		3
Total Public Safety	335,834	336,075	336,066	-	9
Transportation					
Street maintenance		8,400	8,400		-
CHIPs	100,000	188,353	188,353		-
Street lighting	86,000	65,787	65,782		5
Total Transportation	186,000	262,540	262,535	-	5
Culture and Recreation					
Parks	5,500	6,542	6,542		-
Community Center	29,384	38,105	36,670		1,435
Special recreation	338,174	480,361	458,682	21,679	-
Youth	54,000	51,569	51,569		-
Celebrations	17,000	19,880	19,880		-
Total Culture and Recreation	444,058	596,457	573,343	21,679	1,435
Home and Community Services					
Refuse collection and disposal	540,208	480,902	480,870	28	4
Street cleaning	800,963	837,502	831,185	6,317	-
Shade trees	5,000	5,175	5,175		-
Senior program	35,000	21,822	14,751		7,071
Total Home and Community Services	1,381,171	1,345,401	1,331,981	6,345	7,075

INCORPORATED VILLAGE OF BELLPORT
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 (Continued)					
Employee Benefits					
State retirement	\$ 200,000	\$ 196,036	\$ 195,225	\$	\$ 811
Social security and Medicare	140,000	134,023	134,023		-
Workers' compensation	125,000	104,230	104,230		-
Unemployment	10,000	276			276
Disability	3,000	3,000	792		2,208
Hospital and medical insurance	550,778	510,806	510,281		525
Other benefits	20,000	20,000	19,522		478
Total Employee Benefits	<u>1,048,778</u>	<u>968,371</u>	<u>964,073</u>	<u>-</u>	<u>4,298</u>
Debt Service					
Principal	242,038	693,442	691,252		2,190
Interest	<u>102,099</u>	<u>102,187</u>	<u>102,187</u>		-
Total Debt Service	<u>344,137</u>	<u>795,629</u>	<u>793,439</u>	<u>-</u>	<u>2,190</u>
Total Expenditures	4,817,507	5,393,289	5,347,852	29,319	16,118
OTHER FINANCING USES					
Operating transfers out	<u>136,232</u>	<u>210,582</u>	<u>210,582</u>		-
Total Expenditures and Other Uses	<u>\$ 4,953,739</u>	<u>\$ 5,603,871</u>	<u>5,558,434</u>	<u>\$ 29,319</u>	<u>\$ 16,118</u>
Net Change in Fund Balance			(187,554)		
Fund Balance - Beginning of Year			<u>1,530,757</u>		
Fund Balance - End of Year			<u>\$ 1,343,203</u>		

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 BELLPORT
Schedule of the Village's Proportionate Share of the Net Pension Asset/(Liability)
Last Eight Fiscal Years

	<i>Employees' Retirement System</i>							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension asset/(liability)	0.0048769%	0.0042865%	0.0040790%	0.0040935%	0.0047682%	0.0047972%	0.0058078%	0.0055426%
Village's proportionate share of the net pension asset/(liability)	\$ 398,665	\$ (4,268)	\$ (1,080,139)	\$ (290,034)	\$ (153,891)	\$ (450,756)	\$ (932,173)	\$ (187,245)
Village's covered payroll	\$ 1,623,342	\$ 1,510,734	\$ 1,454,660	\$ 1,423,769	\$ 1,344,517	\$ 1,378,222	\$ 1,433,003	\$ 1,331,544
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	24.56 %	0.28 %	74.25 %	20.37 %	11.45 %	32.71 %	65.05 %	14.06 %
Plan fiduciary net position as a percentage of the total pension asset/(liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.00%

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.

INCORPORATED VILLAGE OF BELLPORT
Schedule of Village Pension Contributions
Last Ten Fiscal Years

	<i>Employees' Retirement System</i>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 223,567	\$ 208,131	\$ 192,508	\$ 190,326	\$ 186,375	\$ 195,689	\$ 259,398	\$ 235,571	\$ 214,886	\$ 251,817
Contributions in relation to the contractually required contribution	<u>223,567</u>	<u>208,131</u>	<u>192,508</u>	<u>190,326</u>	<u>186,375</u>	<u>195,689</u>	<u>259,398</u>	<u>235,571</u>	<u>214,886</u>	<u>251,817</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	\$ 1,469,980	\$ 1,566,184	\$ 1,441,510	\$ 1,492,967	\$ 1,289,887	\$ 1,433,003	\$ 1,331,544	\$ 1,372,905	\$ 1,489,552	\$ 1,527,003
Contributions as a percentage of covered payroll	15%	13%	13%	13%	14%	14%	19%	17%	14%	16%

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

	2022	2021	2020	2019
Total OPEB liability				
Service cost	\$ 413,949	\$ 408,705	\$ 282,165	\$ 248,491
Interest on total OPEB liability	208,289	196,819	243,306	238,334
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	576,296	(259,484)	-
Changes of assumptions or other inputs	(1,423,855)	(543,038)	1,854,865	382,216
Benefit payments	(199,327)	(182,901)	(145,750)	(113,254)
Net change in total OPEB liability	(1,000,944)	455,881	1,975,102	755,787
Total OPEB liability, beginning	9,152,849	8,696,968	6,721,866	5,966,079
Total OPEB liability, ending	<u>\$ 8,151,905</u>	<u>\$ 9,152,849</u>	<u>\$ 8,696,968</u>	<u>\$ 6,721,866</u>
Covered employee payroll	\$ 1,374,178	\$ 1,340,661	\$ 1,270,884	\$ 1,239,887
Total OPEB liability as a percentage of covered employee payroll	593.22%	682.71%	684.32%	542.14%
Discount rate	3.16%	2.20%	2.16%	3.51%
Healthcare trend rates	6.50% to 5.00% by 2024	7.00% to 5.00% by 2024	7.50 to 5.00% by 2024	8.00% to 5.00% by 2024

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

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

INCORPORATED VILLAGE OF BELLPORT
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Proprietary Fund - Golf Fund
For the Year Ended May 31, 2022

	Original Budget	Final Budget	Actual		Final Budget Variance with Actual
OPERATING REVENUES					
Charges for Services:					
Golf memberships	\$ 1,416,960	\$ 1,476,960	\$ 1,485,072		\$ 8,112
Golf carts	250,000	337,058	359,150		22,092
Golf rental income	273,566	273,566	250,432		(23,134)
Greens fees	165,000	215,000	215,623		623
Golf tournaments	30,000	30,000	43,423		13,423
Pro shop	107,500	107,500	123,915		16,415
Other services	107,940	162,571	169,302		6,731
Total Operating Revenues	2,350,966	2,602,655	2,646,917		44,262
APPROPRIATED FUND BALANCE					
Prior Year's Encumbrances	818	818			(818)
Total Operating Revenues and Appropriated Fund Balance	<u>\$ 2,351,784</u>	<u>\$ 2,603,473</u>	<u>2,646,917</u>		<u>\$ 43,444</u>
				Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
OPERATING EXPENSES					
Golf course	\$ 1,589,122	\$ 1,503,297	1,381,945	\$ 121,323	\$ 29
Pro shop	471,445	476,960	456,364	20,596	-
Depreciation		147,058	147,058		-
Employee benefits	186,950	245,485	245,309		176
Total Operating Expenses	<u>2,247,517</u>	<u>2,372,800</u>	<u>2,230,676</u>	<u>141,919</u>	<u>205</u>
NON-OPERATING EXPENSES					
Debt service, principal	77,029	5,514			5,514
Debt service, interest	8,832	7,929	7,929		-
Operating transfers out	-	198,824	198,824		-
Total Non-operating Expenses	<u>85,861</u>	<u>212,267</u>	<u>206,753</u>	<u>-</u>	<u>5,514</u>
Change in net position	<u>\$ 18,406</u>	<u>\$ 18,406</u>	209,488	<u>\$ 141,919</u>	<u>\$ 37,725</u>
Total Net Position (Deficit) - Beginning of Year			<u>(76,303)</u>		
Total Net Position (Deficit) - End of Year			<u>\$ 133,185</u>		

INCORPORATED VILLAGE OF BELLPORT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
May 31, 2022

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund
	May 31, 2021	May 31, 2022	Prior Years	Current Year	Total		Proceeds of Obligations	Federal & State Aid	Local Sources	Total	Balance May 31, 2022
Main pier bulkhead replacement - FEMA	\$ 3,100,793	\$ 3,100,793	\$ 2,830,349	\$ 148,758	\$ 2,979,107	\$ 121,686	\$ 299,600	\$ 2,790,714	\$ 10,479	\$ 3,100,793	\$ 121,686
Multimodal-Woodland Park resurfacing	50,000	50,000	50,000		50,000	-		50,000		50,000	-
Repaving and sidewalks - Station Road											
Bellport Lane	460,000	460,000	1,742	246,931	248,673	211,327		460,000		460,000	211,327
Community Center ADA compliant ramp	17,930	17,930	17,930		17,930	-		17,930		17,930	-
Main "Rock" dock project	500,000	500,000	149,035	65,960	214,995	285,005	500,000			500,000	285,005
Brown's Lane bulkhead, related road work	500,000	500,000	17,165	407,548	424,713	75,287	500,000			500,000	75,287
Playground	151,102	151,102	149,702		149,702	1,400		112,500	38,602	151,102	1,400
Toyota Sienna 2022 Van - Capital Lease		67,346		67,346	67,346	-	67,346			67,346	-
Pavillion Removal		104,974		74,350	74,350	30,624		104,974		104,974	30,624
Totals	<u>\$ 4,779,825</u>	<u>\$ 4,952,145</u>	<u>\$ 3,215,923</u>	<u>\$ 1,010,893</u>	<u>\$ 4,226,816</u>	<u>\$ 725,329</u>	<u>\$ 1,366,946</u>	<u>\$ 3,536,118</u>	<u>\$ 49,081</u>	<u>\$ 4,952,145</u>	725,329
Less: Federal and state aid revenues not yet realized											<u>(3,101,586)</u>
											<u><u>\$ (2,376,257)</u></u>

