



Village of  
BELLPORT

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT

May 31, 2023

**INCORPORATED VILLAGE OF BELLPORT**  
**TABLE OF CONTENTS**

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	<u><b>Page</b></u>
<b>Independent Auditor's Report</b>	1
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis (MD&A)	4
<b>Basic Financial Statements:</b>	
Statement of Net Position	18
Statement of Activities	19
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	23
Statement of Net Position – Proprietary Fund – Golf Fund	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund – Golf Fund	25
Statement of Cash Flows – Proprietary Fund – Golf Fund	26
Notes to Financial Statements	27
<b>Required Supplementary Information Other than MD&amp;A</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	56
Schedule of the Village's Proportionate Share of the Net Pension Asset/(Liability)	59
Schedule of Village Pension Contributions	60
Schedule of Changes in the Village's Total OPEB Liability and Related Ratios	61
<b>Other Information</b>	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Proprietary Fund – Golf Fund	62
Schedule of Project Expenditures and Financing Resources – Capital Projects Fund	63



## INDEPENDENT AUDITOR'S REPORT

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

### Qualified and Unmodified 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-type Activities	Unmodified
General Fund	Qualified
Capital Projects Fund	Unmodified
Enterprise Fund	Unmodified

#### *Qualified Opinion on the Governmental Activities and the General Fund*

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Incorporated Village of Bellport as of May 31, 2023 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.

#### *Unmodified Opinions on Business-Type Activities, Capital Projects Fund, and the Enterprise Fund*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, capital projects fund, and enterprise fund of the Incorporated Village of Bellport as of May 31, 2023 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 Qualified and Unmodified 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 qualified and unmodified audit opinions.

## *Matter Giving Rise to the Qualified Opinion on the Governmental Activities and the General Fund*

The lease receivables do not include all of the lease agreements. The Village was unable to obtain the sub-lease information to fully implement GASB 87, *Leases*. Accounting principles generally accepted in the United States of America require a lessor recognize a lease receivable and a deferred inflow of resources. The amount by which this departure would affect the assets and deferred inflows of resources of the governmental activities and the general fund have not been determined.

### **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.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, (Change in Accounting Principle”, the Village has adopted the provisions of GASB Statement No. 87, *Leases*, as of May 31, 2023. Our opinion was modified with respect to this matter as noted previously.

### **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*

May 13, 2024

**INCORPORATED VILLAGE OF BELLPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2023 in comparison with the year ended May 31, 2022, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2023 are as follows:

- The Village's total net position for its governmental activities, as reflected in the government-wide financial statements, increased by \$111,097. This was due to an excess of revenues, including an operating transfer in of \$276,141, over expenses based on the economic resources measurement focus and the accrual basis of accounting. The resulting total net position at May 31, 2023, was \$3,467,422.
- The Village's total net position for its business-type activities (golf fund), as reflected in the government-wide financial statements, increased by \$303,200. This was due to an excess of revenues over expenses, including an operating transfer out of \$276,141, based on the economic resources measurement focus and the accrual basis of accounting. The resulting total net position at May 31, 2023, was \$436,385.
- For the fiscal year ended May 31, 2023, the Village implemented GASB Statement No. 87, *Leases*. The implementation of this statement included a restatement comprised of capital assets and lease liabilities of \$50,917. In addition, the Village restated lease receivables and deferred inflows of resources of \$487,065. There was no impact to net position. However, the lease receivable and deferred inflows of resources amounts did not include all lessor agreements.
- The general fund's total fund balance, as reflected in the fund financial statements, decreased by \$381,801. 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, 2023, was \$1,725,004.
- The Village's 2022-2023 property tax levy of \$2,982,048 was a 5.25% increase over the 2021-2022 tax levy. The Village's property tax cap was 2.95%. The Village's 5.25% increase was approved by the Board of Trustees (Board) 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)

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**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 flows 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, employee benefits, debt service, and depreciation. The business-type activities of the Village are related to 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.

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, lease liabilities, claims and judgments, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

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

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

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

The Village maintains two individual governmental funds: general 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.

### **3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

#### **A. Net Position**

Certain balances at May 31, 2022, were adjusted as a result of the implementation of GASB No. 87, which required the Village to record a capital asset, lease receivable, lease liabilities, and deferred inflows of resources; however, this change had no impact on total net position. In addition, the May 31, 2022, current and other assets, and unrestricted net position were restated by \$247,612 as the Village received notification that it would not be receiving a portion of the claim submitted to FEMA that was recognized in prior years.

The Village's total governmental activities net position increased \$111,097 and the business-type activities net position increased by \$303,200, between fiscal years 2023 and 2022, including the operating transfers in and out of \$276,141. 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	
	Restated					
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and Other Assets	\$ 4,452,223	\$ 5,216,948	\$ 3,641,206	\$ 3,596,353	\$ 8,093,429	\$ 8,813,301
Capital Assets, Net	10,020,198	10,195,216	2,091,636	2,145,833	12,111,834	12,341,049
Net Pension Asset -						
Proportionate Share	-	344,697	-	53,968	-	398,665
Total Assets	14,472,421	15,756,861	5,732,842	5,796,154	20,205,263	21,553,015



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

	Governmental Activities		Business-Type Activities		Total Primary Government	
		Restated				
	2023	2022	2023	2022	2023	2022
<b>Deferred Outflows of Resources</b>	\$ 1,440,594	\$ 1,864,967	\$ 628,199	\$ 668,027	\$ 2,068,793	\$ 2,532,994
<b>Liabilities</b>						
Current and Other Liabilities	2,054,031	3,081,284	1,378,557	1,497,734	3,432,588	4,579,018
Long-Term Liabilities	2,221,318	2,546,604	368,980	332,505	2,590,298	2,879,109
Net Pension Liability - Proportionate Share	774,357	-	127,447	-	901,804	-
Total OPEB Liability	5,434,939	5,825,762	2,141,764	2,326,143	7,576,703	8,151,905
Total Liabilities	10,484,645	11,453,650	4,016,748	4,156,382	14,501,393	15,610,032
<b>Deferred Inflows of Resources</b>	1,960,948	2,811,853	1,907,908	2,174,614	3,868,856	4,986,467
<b>Net Position</b>						
Net Investment in Capital Assets	6,737,548	5,825,631	1,781,556	1,868,905	8,519,104	7,694,536
Restricted	66,470	66,470	-	-	66,470	66,470
Unrestricted (deficit)	(3,336,596)	(2,535,776)	(1,345,171)	(1,735,720)	(4,681,767)	(4,271,496)
Total Net Position	\$ 3,467,422	\$ 3,356,325	\$ 436,385	\$ 133,185	\$ 3,903,807	\$ 3,489,510

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 (non-current), amounts due from state and federal, amounts due from other governments, and prepaids, offset by an increase in cash.

The decrease in capital assets, net is due to depreciation expense and loss on disposal in excess of capital asset additions. The accompanying Notes to Financial Statements, Note 9 "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 (ERS) collective net pension assets, at the measurement date of the respective year. In the current year, the Village's proportionate shares shifted from an asset to a liability. The accompanying Notes to Financial Statements Note 15 "Pension Plans – New York State," provides additional information.

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

The decrease in current and other liabilities is primarily due to decreases in accounts payable and bond anticipation notes payable, offset by an increase in other liabilities.

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

Net pension liabilities – proportionate share represents the Village's share of the ERS' collective net pension liability, at the measurement date of the respective year. The decrease is due to the shift from net pension asset in the prior year, to net pension liability in the current year. The accompanying Notes to Financial Statements Note 15 "Pension Plans – New York State," provides additional information.

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

Total OPEB liability decreased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 17 "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 and leases receivable.

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

The restricted amount relates to the Village's reserves. This balance remained the same as the prior year.

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. The May 31, 2022 revenues and unassigned net position were reduced by \$247,612 as the Village received notification that certain FEMA expenditures would not be reimbursed. Revenue was recognized in the government-wide financial statements in prior years. A summary of this statement for the years ended May 31, 2023 and 2022 is as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Restated					
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues						
Charges for Services,						
Fees, Permits & Fines	\$1,517,589	\$1,500,830	\$2,911,724	\$2,646,917	\$4,429,313	\$4,147,747
Capital Grants	439,753	453,104	4,564	-	444,317	453,104
General Revenues						
Property Taxes	2,979,747	2,834,534	-	-	2,979,747	2,834,534
State Sources	109,231	150,152	-	-	109,231	150,152
Other	394,385	365,084	-	-	394,385	365,084
Total Revenues	5,440,705	5,303,704	2,916,288	2,646,917	8,356,993	7,950,621
<b>Expenses</b>						
General Government Support	1,611,562	1,404,651	-	-	1,611,562	1,404,651
Public Safety	520,945	502,775	-	-	520,945	502,775
Transportation	92,189	21,278	-	-	92,189	21,278
Culture & Recreation	737,904	735,157	-	-	737,904	735,157
Home & Community Services	1,828,591	1,907,003	-	-	1,828,591	1,907,003
Debt Service - Interest	110,433	94,924	-	-	110,433	94,924
Depreciation - Unallocated	704,125	942,220	-	-	704,125	942,220
Golf Course			2,336,947	2,238,605	2,336,947	2,238,605
Total Expenses	5,605,749	5,608,008	2,336,947	2,238,605	7,942,696	7,846,613
Changes in Net Position						
Before Operating Transfers	(165,044)	(304,304)	579,341	408,312	414,297	104,008
Operating transfers	276,141	198,824	(276,141)	(198,824)	-	-
Total Changes in Net Position	\$ 111,097	\$ (105,480)	\$ 303,200	\$ 209,488	\$ 414,297	\$ 104,008

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

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Governmental Activities

The Village's governmental activities net position increased by \$111,097 and decreased by \$105,480 for the years ended May 31, 2023 and 2022, respectively.

The governmental activities' 2023 revenues decreased by \$137,001 or 2.58% compared to fiscal 2022, primarily due to the following changes:

- 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.
- Real property taxes were increased to fund increases in appropriations in the 2022-2023 budget.

The governmental activities expenses for the year decreased by \$2,259 or 0.04% compared to fiscal 2022, mainly due to the following changes:

- Depreciation – unallocated decreased as the prior year included a loss on disposal as a result of the removal of the pavilion at Ho-Hum beach. The Village had a loss on disposal in the current year, but to a lesser extent than the prior year.
- General support increased mainly due to the Village incurring more in costs for repairs and service contracts than it had in prior years.

Business-Type Activities

The business-type activities net position increased by \$303,200 and \$209,488 for the years ended May 31, 2023 and 2022, respectively.

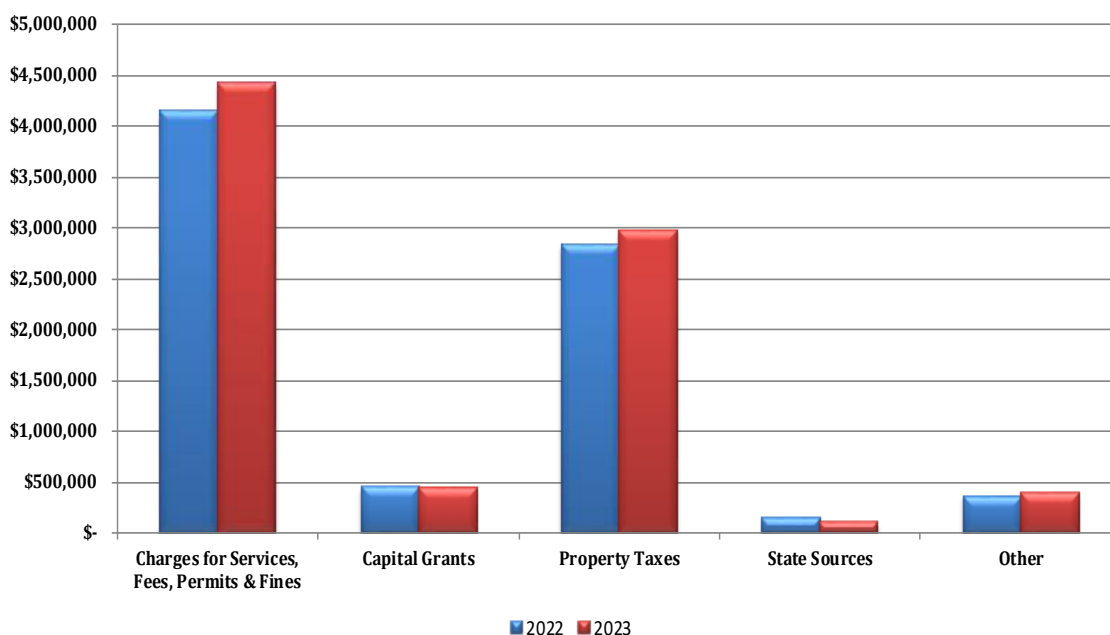
The business-type activities' 2023 revenues increased by \$269,371 or 10.18% compared to fiscal year 2022. This increase was primarily due to an increase in golf membership, as a result of new members, golf cart rentals, greens fees, tournaments, and pro-shop sales.

The business-type activities' 2023 expenses and operating transfers out increased by \$175,659 or 7.21% compared to fiscal year 2022. This increase is due to increases in golf course maintenance expenses, proshop costs, depreciation/amortization expense and loss on disposal, higher debt service interest payments, and larger operating transfer out to the general fund for administrative costs, offset by a decrease in employee benefit expenses.

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., 88.7% and 87.90% of the total for the years 2023 and 2022, respectively). Home and community services and the golf course are the largest categories of expenses incurred (i.e., 52.3% and 52.8% of the total for the years 2023 and 2022, respectively).

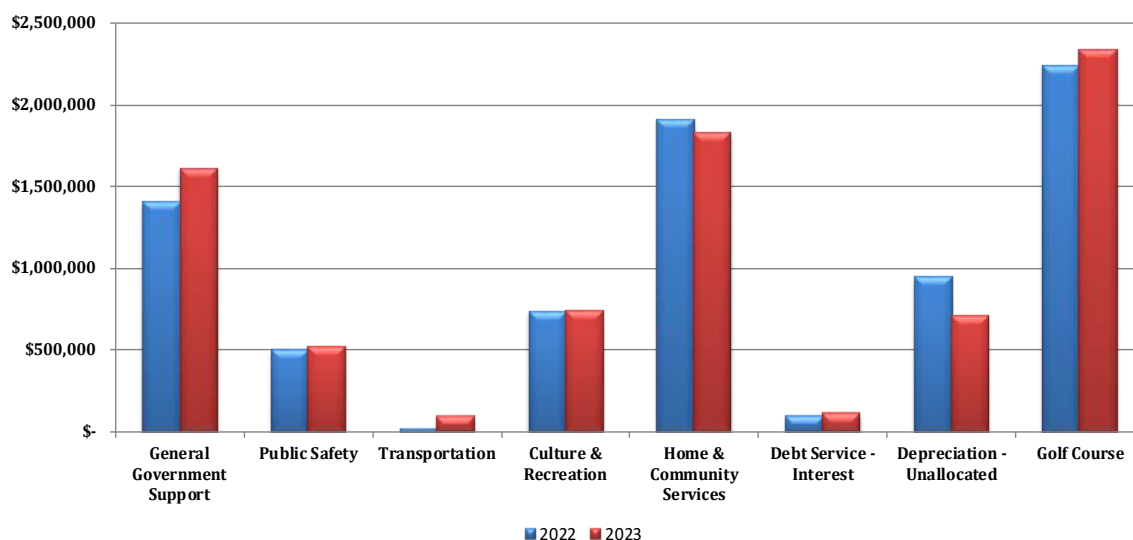
**INCORPORATED VILLAGE OF BELLPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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



	Services, Fees, Permits & Fines	Capital Grants	Property Taxes	State Sources	Other
2022	52.2%	5.7%	35.7%	1.9%	4.5%
2023	53.0%	5.3%	35.7%	1.3%	4.7%

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
2022	17.9%	6.4%	0.3%	9.4%	24.3%	1.2%	12.0%	28.5%
2023	20.3%	6.6%	1.2%	9.3%	22.9%	1.4%	8.9%	29.4%

**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, 2023, the Village's governmental funds reported a combined fund balance of \$552,818, which is an increase of \$1,585,871 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in fund balance by fund is as follows:

	2023	2022	Increase (Decrease)	Percentage
<b>General Fund</b>				
Nonspendable: Prepaids	\$ 55,129	\$ 80,674	\$ (25,545)	(31.66)%
Restricted: Debt service	66,470	66,470	-	0.00 %
Assigned:				
Unappropriated:				
Repair of docks	33,690	33,690	-	0.00 %
Employee liability	22,440	22,440	-	0.00 %
Tennis court repairs	30,000	30,000	-	0.00 %
Encumbrances	43,053	29,319	13,734	46.84 %
Appropriated fund balance	-	93,600	(93,600)	(100.00)%
Unassigned: Fund balance	1,474,222	987,010	487,212	49.36 %
Total General Fund	<u>1,725,004</u>	<u>1,343,203</u>	<u>381,801</u>	28.42 %
<b>Capital Projects Fund</b>				
Restricted: Unspent debt proceeds	291,577	411,792	(120,215)	(29.19)%
Unassigned: Fund balance (deficit)	<u>(1,463,763)</u>	<u>(2,788,048)</u>	1,324,285	47.50 %
Total Capital Projects Fund	<u>(1,172,186)</u>	<u>(2,376,256)</u>	<u>1,204,070</u>	50.67 %
 Total Fund Balance	 <u>\$ 552,818</u>	 <u>\$ (1,033,053)</u>	 <u>\$ 1,585,871</u>	 (153.51)%

**A. General Fund**

The net change in the general fund – fund balance is an increase of \$381,801, as a result of revenues and other financing sources of \$6,593,129 in excess of expenditures and other financing uses of \$6,211,328 in excess of. In the prior year, fund balance decreased by \$187,554.

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

The following is a summary of the major changes that resulted in revenues and other financing sources increasing by \$1,222,249 or 22.76% over the prior year:

	2023	2022	Increase (Decrease)	Percentage Change
Real Property Taxes	\$ 2,979,747	\$ 2,834,534	\$ 145,213	5.12 %
Other Tax Items	20,836	19,731	1,105	5.60 %
Nonproperty Taxes	135,959	120,879	15,080	12.48 %
Other Local Revenue	1,755,179	1,725,304	29,875	1.73 %
State Sources	211,833	333,950	(122,117)	(36.57)%
Federal Sources	73,392	136,105	(62,713)	(46.08)%
Other Financing Sources	1,416,183	200,377	1,215,806	606.76 %
	<u>\$ 6,593,129</u>	<u>\$ 5,370,880</u>	<u>\$ 1,222,249</u>	22.76 %

- Other financing sources increased as, in the current year, the Village transferred from the capital projects fund funds received from FEMA related to the dock project that were previously financed from bond anticipation notes and general fund appropriations until reimbursements were received from FEMA. In addition, the Village transferred more from the golf fund than during the prior year for administrative costs to support the golf fund activities.
- Real property taxes were increased to fund increases in appropriations in the 2022-2023 budget.
- State sources decreased as the Village recognized less consolidated highway improvement funds than it had in the previous years.
- The decrease in federal sources is due to the Village recognizing American Rescue Plan Act (ARPA) funds in the prior year for the demolition of the pavilion at Ho-Hum beach. The Village did not recognize similar funds in the current year.

The following is a summary of the major changes that resulted in expenditures and other financing uses increasing by \$652,894 or 11.75% over the prior year:

	2023	2022	Increase (Decrease)	Percentage Change
General Support	\$ 1,248,190	\$ 1,086,415	\$ 161,775	14.89 %
Public Safety	332,033	336,066	(4,033)	(1.20)%
Transportation	257,054	262,535	(5,481)	(2.09)%
Culture and Recreation	567,768	573,343	(5,575)	(0.97)%
Home and Community Services	1,321,283	1,331,981	(10,698)	(0.80)%
Employee Benefits	1,026,318	964,073	62,245	6.46 %
Debt Service	344,289	793,439	(449,150)	(56.61)%
Other Financing Uses	1,114,393	210,582	903,811	429.20 %
	<u>\$ 6,211,328</u>	<u>\$ 5,558,434</u>	<u>\$ 652,894</u>	11.75 %

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

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- Other financing uses increased as the Village transferred funds to the capital projects fund for the repayment of the bond anticipation notes in the current year in excess of the amounts transferred in the previous year for repayment of the bond anticipation notes.
- General support increased as the Village incurred more in costs for repairs and service contracts than it had in prior years.
- Debt service decreased as the Village made the final payment on a bond anticipation note that matured on February 24, 2022 in the amount of \$450,000.

**B. Capital Projects Fund**

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The fund balance deficit decreased by \$1,204,070, as revenues and other financing sources of \$2,713,036 exceeded expenditures and other financing uses of \$1,508,966. 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.

**C. 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 \$303,200, compared to a \$209,488 increase in 2022, as revenues of \$2,916,288 exceeded expenses of \$2,613,088.

Operating revenues increased by \$269,371 or 10.18% over the prior fiscal year. The increases were primarily in golf memberships, golf tournaments and golf cart rentals, pro shop sales, and greens fees. Operating expenses increased by \$175,659 or 7.21% over the prior fiscal year. This increase is due to increases in golf course maintenance expenses, proshop costs, depreciation/amortization expense and loss on disposal, higher debt service interest payments, and larger operating transfer out to the general fund for administrative costs, offset by a decrease in employee benefit expenses.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2022-2023 Budget**

The Village's general fund adopted budget for the year ended May 31, 2023, was \$5,349,002. This amount was increased by encumbrances carried forward from the prior year in the amount of \$29,319 and budget revisions in the amount of \$1,157,222 for a total final budget of \$6,535,543.

The final budget was funded through estimated revenues. The majority of this funding source was \$2,982,048 in estimated real property taxes, \$1,414,784 in operating transfers in, and \$1,216,523 in departmental income.

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

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**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, amounts assigned for repair of docks, employee liability, 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	\$ 987,010
Fund Balance Appropriated for Budget Revision	(18,579)
Revenues and Other Financing Sources Over Budget	199,084
Expenditures, Other Financing Uses, and Encumbrances Under Budget	281,162
Change in Nonspendable Fund Balance	<u>25,545</u>
Closing, Unassigned Fund Balance	<u><u>\$ 1,474,222</u></u>

Opening, Unassigned Fund Balance

The \$987,010 shown in the table is the portion of the Village's May 31, 2022 fund balance that was retained as unassigned.

Fund Balance Appropriated for Budget Revision

The Village increased appropriations by \$18,579, which was funded by unassigned fund balance. The increase was needed to fund debt service payments. This decreases the unassigned portion of the general fund fund balance.

Revenues and Other Financing Sources Over Budget

The 2022-2023 final budget for revenues and other financing sources was \$6,394,405. Actual revenues and other financing sources recognized for the year were \$6,593,129. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources was \$199,084, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2022 to May 31, 2023. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2022-2023 final budget for expenditures and other financing uses, including prior year open encumbrances as of May 31, 2022 and budget revisions was \$6,535,543. Actual expenditures and other financing uses were \$6,211,328 and outstanding encumbrances were \$43,053. Combined, the expenditures and other financing uses plus encumbrances for 2022-2023 were \$6,254,381. The final budget was under expended by \$281,162, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2022 to May 31, 2023. The accompanying Required Supplementary Information,



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

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Change in Nonspendable Fund Balance

Nonspendable consists of various prepaid items including workers' compensation insurance premiums and health insurance premiums. The resulting balance sheet asset 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.

Closing, Unassigned Fund Balance

Based upon the summary of changes shown on the previous table, the unassigned fund balance at May 31, 2023, was \$1,474,222.

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

**A. Capital Assets**

At May 31, 2023, the Village had invested in a broad range of capital assets, as indicated in the following table. The net decrease in governmental activities capital assets is due to loss on disposal (\$100,053) and depreciation/amortization expense (\$604,072) in excess of capital asset additions (\$529,107). The net decrease in business-type activities capital assets is due to depreciation/amortization expense (\$192,371) in excess of capital asset additions (\$87,257). A summary of the Village's capital assets, net of accumulated depreciation at May 31, 2023 and 2022, is as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<u>Capital assets not being depreciated</u>						
Land	\$ 164,278	\$ 164,278	\$ 18,300	\$ 18,300	\$ 182,578	\$ 182,578
Construction work in progress	28,343	78,590	-	60,562	28,343	139,152
<u>Capital assets being depreciated</u>						
Buildings	2,677,316	2,808,823	913,368	955,463	3,590,684	3,764,286
Site improvements	748,916	725,252	260,044	289,947	1,008,960	1,015,199
Infrastructure	5,895,211	5,600,065	414,288	434,400	6,309,499	6,034,465
Machinery and equipment	506,134	818,208	448,808	387,161	954,942	1,205,369
Leased equipment	-	-	36,828	50,917	36,828	50,917
	<u>\$10,020,198</u>	<u>\$10,195,216</u>	<u>\$2,091,636</u>	<u>\$2,196,750</u>	<u>\$12,111,834</u>	<u>\$12,391,966</u>

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

**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 31<sup>st</sup> is summarized as follows:

Maturity	Interest Rate	Governmental Activities		Business-Type Activities		Total Primary Government	
		2023	2022	2023	2022	2023	2022
Bonds							
2023	3.00-3.50%	\$ -	\$ 32,300	\$ -	\$ -	\$ -	\$ 32,300
2032	2.19%	129,897	142,268	-	-	129,897	142,268
2037	2.00%	1,770,000	1,870,000	-	-	1,770,000	1,870,000
2023	3.00-3.50%	-	-	-	62,700	-	62,700
2032	2.19%	-	-	185,103	202,732	185,103	202,732
		<u>\$1,899,897</u>	<u>\$2,044,568</u>	<u>\$ 185,103</u>	<u>\$ 265,432</u>	<u>\$2,085,000</u>	<u>\$2,310,000</u>
Installment Purchase Debt							
2025	2.45%	\$ 92,263	\$ -	\$ -	\$ -	\$ 92,263	\$ -
2027	2.00%	36,078	-	-	-	36,078	-
2024	0.00%	-	-	78,756	-	78,756	-
		<u>\$ 128,341</u>	<u>\$ -</u>	<u>\$ 78,756</u>	<u>\$ -</u>	<u>\$ 207,097</u>	<u>\$ -</u>
Lease Liabilities							
2024	3.96%	\$ -	\$ -	\$ 46,221	\$ -	\$ 46,221	\$ -

**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 OPEB liability, which are based on actuarial valuations.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Compensated absences payable	\$ 135,728	\$ 231,594	\$ 58,900	\$ 55,578	\$ 194,628	\$ 287,172
Net pension liability - proportionate share	774,357	-	127,447	-	901,804	-
Total OPEB liability	<u>5,434,939</u>	<u>5,825,762</u>	<u>2,141,764</u>	<u>2,326,143</u>	<u>7,576,703</u>	<u>8,151,905</u>
	<u>\$6,345,024</u>	<u>\$6,057,356</u>	<u>\$2,328,111</u>	<u>\$2,381,721</u>	<u>\$8,673,135</u>	<u>\$ 8,439,077</u>

**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**A. Subsequent Year's Budget**

The Board, on April 10, 2023, approved a \$5,689,478 general fund budget for the year ending May 31, 2024, which is an increase of \$340,476 or 6.37% 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 \$235,096 increase over the prior year's estimate. The Village has chosen not to use assigned appropriated fund balance

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

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towards the 2023-2024 budget, which is a reduction of \$93,600 from the prior year. The property tax levy of \$3,181,028 increased \$198,980 or 6.67% over the 2022-2023 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 2023-2024 is 3.40%. The Village's increase of 6.67% in the 2023-2024 levy exceeded the tax cap, which was approved by the Board.

**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:

Ms. Mary Pontieri  
Village Clerk  
Incorporated Village of Bellport  
29 Bellport Lane  
Bellport, New York 11713

**INCORPORATED VILLAGE OF BELLPORT**  
**Statement of Net Position**  
May 31, 2023

	Governmental Activities	Business-type Activities	Total Primary Government
<b>ASSETS</b>			
Cash			
Unrestricted	\$ 2,064,051	\$ 2,108,807	\$ 4,172,858
Restricted	358,047		358,047
Receivables			
Taxes receivable	12,721		12,721
Accounts receivable	48,508	622,131	670,639
Accounts receivable, non-current		831,384	831,384
Due from state and federal	1,419,465		1,419,465
Due from other governments	22,283		22,283
Leases receivable	472,019		472,019
Prepays	55,129	23,280	78,409
Inventory		55,604	55,604
Capital assets			
Not being depreciated/amortized	192,621	18,300	210,921
Being depreciated, net of accumulated depreciation/amortization	9,827,577	2,073,336	11,900,913
Total Assets	<u>14,472,421</u>	<u>5,732,842</u>	<u>20,205,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	556,706	91,625	648,331
Other postemployment benefits	883,888	536,574	1,420,462
Total Deferred Outflows of Resources	<u>1,440,594</u>	<u>628,199</u>	<u>2,068,793</u>
<b>LIABILITIES</b>			
Payables			
Accounts payable	165,709	16,643	182,352
Accrued liabilities	88,049	17,906	105,955
Due to other governments		9,468	9,468
Due to employees' retirement system	24,500	4,032	28,532
Other liabilities	148,070		148,070
Notes Payable			
Bond anticipation	1,491,417		1,491,417
Unearned credits			
Collections in advance	136,286	1,330,508	1,466,794
Long-term liabilities			
Due and payable within one year			
Bonds payable, net	118,835	17,629	136,464
Installment purchase debt payable	54,913	52,504	107,417
Lease liabilities		46,221	46,221
Compensated absences payable	4,941		4,941
Due and payable after one year			
Bonds payable, net	1,833,473	167,474	2,000,947
Installment purchase debt payable	73,428	26,252	99,680
Compensated absences payable	135,728	58,900	194,628
Net pension liability - proportionate share	774,357	127,447	901,804
Total other postemployment benefits liability	5,434,939	2,141,764	7,576,703
Total Liabilities	<u>10,484,645</u>	<u>4,016,748</u>	<u>14,501,393</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement		1,095,060	1,095,060
Deferred leases	472,019		472,019
Pension	55,356	9,111	64,467
Other postemployment benefits	1,433,573	803,737	2,237,310
Total Deferred Inflows of Resources	<u>1,960,948</u>	<u>1,907,908</u>	<u>3,868,856</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,737,548	1,781,556	8,519,104
Restricted: Debt	66,470		66,470
Unrestricted (Deficit)	<u>(3,336,596)</u>	<u>(1,345,171)</u>	<u>(4,681,767)</u>
Total Net Position	<u>\$ 3,467,422</u>	<u>\$ 436,385</u>	<u>\$ 3,903,807</u>

See Notes to Financial Statements

**INCORPORATED VILLAGE OF BELLPORT**  
**Statement of Activities**  
For the Year Ended May 31, 2023

		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
<b>FUNCTIONS/PROGRAMS</b>						
<b>Governmental Activities</b>						
General government support	\$ 1,611,562	\$ 29,751	\$	\$ (1,581,811)	\$	\$ (1,581,811)
Public safety	520,945	345,381		(175,564)		(175,564)
Transportation	92,189		366,361	274,172		274,172
Culture and recreation	737,904	560,297	62,795	(114,812)		(114,812)
Home and community services	1,828,591	582,160	10,597	(1,235,834)		(1,235,834)
Debt service - interest	110,433			(110,433)		(110,433)
Depreciation and loss on disposal of building - unallocated	704,125			(704,125)		(704,125)
Total Functions and Programs	<u>\$ 5,605,749</u>	<u>\$ 1,517,589</u>	<u>\$ 439,753</u>	<u>(3,648,407)</u>	<u>-</u>	<u>(3,648,407)</u>
<b>Business-type Activities</b>						
Golf course	<u>\$ 2,336,947</u>	<u>\$ 2,911,724</u>	<u>\$ 4,564</u>	<u>-</u>	<u>579,341</u>	<u>579,341</u>
<b>GENERAL REVENUES</b>						
Real property taxes				2,979,747		2,979,747
Other real property tax items				20,836		20,836
Nonproperty taxes				135,959		135,959
Use of money and property				167,368		167,368
Minor sales and compensation for loss				48,555		48,555
Miscellaneous				21,667		21,667
State sources - unrestricted				109,231		109,231
Total General Revenues				<u>3,483,363</u>	<u>-</u>	<u>3,483,363</u>
Change in Net Position Before Other Items				(165,044)	579,341	414,297
<b>OTHER ITEMS</b>						
Operating transfers				276,141	(276,141)	-
Change in Net Position				111,097	303,200	414,297
Total Net Position - Beginning of Year, as Restated				<u>3,356,325</u>	<u>133,185</u>	<u>3,489,510</u>
Total Net Position - End of Year				<u>\$ 3,467,422</u>	<u>\$ 436,385</u>	<u>\$ 3,903,807</u>

**INCORPORATED VILLAGE OF BELLPORT**  
**Balance Sheet - Governmental Funds**  
May 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash			
Unrestricted	\$ 1,949,231	\$ 114,820	\$ 2,064,051
Restricted	66,470	291,577	358,047
Receivables			
Taxes receivable	12,721		12,721
Accounts receivable	48,508		48,508
Due from other funds	56,695		56,695
Due from state and federal	74,523	1,344,942	1,419,465
Due from other governments	22,283		22,283
Leases receivable	472,019		472,019
Prepays	55,129		55,129
	<u>55,129</u>	<u>1,344,942</u>	<u>1,419,465</u>
Total Assets	<u>\$ 2,757,579</u>	<u>\$ 1,751,339</u>	<u>\$ 4,508,918</u>
<b>LIABILITIES</b>			
Payables			
Accounts payable	\$ 135,237	\$ 30,472	\$ 165,709
Accrued liabilities	64,030		64,030
Due to other funds		56,695	56,695
Due to employees' retirement system	24,500		24,500
Other liabilities	148,070		148,070
Notes Payable			
Bond anticipation		1,491,417	1,491,417
Unearned credits			
Collections in advance	136,286		136,286
	<u>136,286</u>	<u>1,491,417</u>	<u>1,491,417</u>
Total Liabilities	<u>508,123</u>	<u>1,578,584</u>	<u>2,086,707</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	52,433	1,344,941	1,397,374
Deferred leases	472,019		472,019
	<u>472,019</u>	<u>1,344,941</u>	<u>1,397,374</u>
Total Deferred Inflows of Resources	<u>524,452</u>	<u>1,344,941</u>	<u>1,869,393</u>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable: Prepays	55,129		55,129
Restricted:			
Debt	66,470		66,470
Unspent debt proceeds		291,577	291,577
Assigned:			
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	43,053		43,053
Unassigned: Fund balance (Deficit)	1,474,222	(1,463,763)	10,459
	<u>1,474,222</u>	<u>(1,463,763)</u>	<u>10,459</u>
Total Fund Balances (Deficit)	<u>1,725,004</u>	<u>(1,172,186)</u>	<u>552,818</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,757,579</u>	<u>\$ 1,751,339</u>	<u>\$ 4,508,918</u>

**INCORPORATED VILLAGE OF BELLPORT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
May 31, 2023

Total Governmental Fund Balances	\$ 552,818
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building, acquiring, or the right-to-use 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/present value of capital assets	\$ 17,958,486	
Less: Accumulated depreciation/amortization	<u>(7,938,288)</u>	
		10,020,198

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

Deferred outflows of resources	556,706	
Net pension liability - employees' retirement system	(774,357)	
Deferred inflows of resources	<u>(55,356)</u>	
		(273,007)

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	883,888	
Total other postemployment benefits liability	(5,434,939)	
Deferred inflows of resources	<u>(1,433,573)</u>	
		(5,984,624)

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.

1,397,374

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	(24,019)	
Bonds payable, net	(1,952,308)	
Installment purchase debt payable	(128,341)	
Compensated absences payable	<u>(140,669)</u>	
		<u>(2,245,337)</u>

Total Government-wide Net Position	\$ <u><u>3,467,422</u></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, 2023

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Real property taxes	\$ 2,979,747	\$	\$ 2,979,747
Other real property tax items	20,836		20,836
Nonproperty taxes	135,959		135,959
Departmental income	1,478,788		1,478,788
Use of money and property	167,368		167,368
Licenses and permits	26,201		26,201
Fines and forfeitures	12,600		12,600
Minor sales and compensation for loss	48,555		48,555
Miscellaneous	21,667		21,667
State aid	211,833	460,000	671,833
Federal aid	73,392	1,138,643	1,212,035
	<u>5,176,946</u>	<u>1,598,643</u>	<u>6,775,589</u>
Total Revenues			
	<u>5,176,946</u>	<u>1,598,643</u>	<u>6,775,589</u>
<b>EXPENDITURES</b>			
General support	1,248,190		1,248,190
Public safety	332,033		332,033
Transportation	257,054	213,069	470,123
Culture and recreation	567,768	155,855	723,623
Home and community services	1,321,283		1,321,283
Employee benefits	1,026,318		1,026,318
Debt service			
Principal	227,521		227,521
Interest	116,768		116,768
	<u>5,096,935</u>	<u>368,924</u>	<u>5,465,859</u>
Total Expenditures			
	<u>5,096,935</u>	<u>368,924</u>	<u>5,465,859</u>
Excess of Revenues Over Expenses	<u>80,011</u>	<u>1,229,719</u>	<u>1,309,730</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Operating transfers in	1,416,183	1,114,393	2,530,576
Operating transfers (out)	<u>(1,114,393)</u>	<u>(1,140,042)</u>	<u>(2,254,435)</u>
Total Other Sources	<u>301,790</u>	<u>(25,649)</u>	<u>276,141</u>
Net Changes in Fund Balances	381,801	1,204,070	1,585,871
Fund Balances (Deficit) -			
Beginning of Year	<u>1,343,203</u>	<u>(2,376,256)</u>	<u>(1,033,053)</u>
End of Year	<u>\$ 1,725,004</u>	<u>\$ (1,172,186)</u>	<u>\$ 552,818</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, 2023

Net Change in Fund Balances \$ 1,585,871

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

Long-Term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned. \$ (1,334,884)

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.

Decrease in compensated absences payable	90,925	
		(1,243,959)

Capital Related Differences

Capital outlays to purchase, build, or the right-to-use 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/amortization expense in the Statement of Activities. This is the amount by which loss on disposal of assets and depreciation/amortization expense exceeded capital outlays and other additions in the period.

Capital outlays and other additions	529,107	
Loss on disposal of assets	(100,053)	
Depreciation/amortization expense	(604,072)	
	(175,018)	

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:

	27,091	
		(147,927)

Long-Term Debt Transaction Differences

The amortization of the deferred premiums on bonds decreases interest expense in the Statement of Activities. 6,840

Repayment of long-term 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.

Bond payable	144,671	
Installment purchase debt	82,850	

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 increased from May 31, 2022 to May 31, 2023.

	(505)	
		233,856

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	(156,010)	
Other postemployment benefits	(160,734)	
		(316,744)

Change in Net Position of Governmental Activities	\$ 111,097	
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**INCORPORATED VILLAGE OF BELLPORT**  
**Statement of Net Position - Proprietary Fund - Golf Fund**  
May 31, 2023

**ASSETS**

Cash: Unrestricted	\$ 2,108,807
Receivables	
Accounts receivable	622,131
Accounts receivable, non-current	831,384
Prepays	23,280
Inventory	55,604
Capital assets	
Not being depreciated/amortized	18,300
Being depreciated/amortized, net of accumulated depreciation	<u>2,073,336</u>
 Total Assets	 <u>5,732,842</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension	91,625
Other postemployment benefits	<u>536,574</u>
 Total Deferred Outflows of Resources	 <u>628,199</u>

**LIABILITIES**

Payables	
Accounts payable	16,643
Accrued liabilities	17,906
Due to other governments	9,468
Due to employees' retirement system	4,032
Unearned credits	
Collections in advance	1,330,508
Long-term liabilities	
Due and payable within one year	
Bonds payable	17,629
Installment debt payable	52,504
Lease liabilities	46,221
Due and payable after one year	
Bonds payable	167,474
Installment debt payable	26,252
Compensated absences payable	58,900
Net pension liability - proportionate share	127,447
Total other postemployment benefits liability	<u>2,141,764</u>
 Total Liabilities	 <u>4,016,748</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred service concession arrangement	1,095,060
Pension	9,111
Other postemployment benefits	<u>803,737</u>
 Total Deferred Inflows of Resources	 <u>1,907,908</u>

**NET POSITION**

Net investment in capital assets	1,781,556
Unrestricted (deficit)	<u>(1,345,171)</u>
 Total Net Position	 <u><u>\$ 436,385</u></u>

**INCORPORATED VILLAGE OF BELLPORT**  
**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - Golf Fund**  
For the Year Ended May 31, 2023

**OPERATING REVENUES**

Charges for Services:	
Golf memberships	\$ 1,660,866
Golf carts	364,774
Golf rental income	261,801
Greens fees	216,723
Golf tournaments	56,740
Pro shop	151,665
Other services	<u>199,155</u>
 Total Operating Revenues	 <u>2,911,724</u>

**OPERATING EXPENSES**

Golf course	1,425,516
Pro shop	474,373
Employee benefits	175,430
Depreciation/amortization	192,371
Loss on disposal of assets	<u>60,562</u>
 Total Operating Expenses	 <u>2,328,252</u>
 Income from Operations	 583,472

**NON-OPERATING REVENUES AND (EXPENSES)**

Federal sources	4,564
Debt service, interest	(8,695)
Operating transfers out	<u>(276,141)</u>
 Total Nonoperating Expenses	 <u>(280,272)</u>
 Change in Net Position	 303,200
 Total Net Position - Beginning of Year	 <u>133,185</u>
 Total Net Position - End of Year	 <u><u>\$ 436,385</u></u>

**INCORPORATED VILLAGE OF BELLPORT**  
**Statement of Cash Flows - Proprietary Fund - Golf Fund**  
For the Year Ended May 31, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 2,925,870
Payments to suppliers and service providers	(1,743,180)
Payments to employees for salaries and benefits	<u>(429,494)</u>
Net Cash Provided by Operating Activities	753,196

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Transfers to other funds	<u>(276,141)</u>
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**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(2,495)
Principal paid on debt	(163,088)
Interest paid on debt	<u>(9,671)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(175,254)</u>

Net Increase in Cash	301,801
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Cash at Beginning of Year	<u>1,807,006</u>
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Cash at End of Year	<u><u>\$ 2,108,807</u></u>
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**RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 583,472
Adjustments to reconcile operating income net cash provided by operating activities:	
Depreciation/amortization expense	192,371
Loss on disposal	60,562
Federal sources	4,564
(Increase) Decrease in:	
Accounts receivable	(25,550)
Accounts receivable, non-current	263,676
Due from state and federal	13,475
Prepays	7,641
Inventory	(2,294)
Deferred outflows of resources	39,828
Net pension asset - proportionate share	53,968
Increase (Decrease) in:	
Accounts payable	(137,882)
Accrued liabilities	5,038
Due to other governments	(810)
Due to employees' retirement system	485
Collections in advance	14,968
Compensated absences payable	3,322
Total other postemployment benefits liability	(184,379)
Net pension liability - proportionate share	127,447
Deferred service concession arrangement receipt	(256,987)
Pension	(175,479)
Other postemployment benefits	<u>165,760</u>
Net Cash Provided by Operating Activities	<u><u>\$ 753,196</u></u>

**NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

Intangible right-to-use lease assets obtained from lease liabilities	\$ 40,316
Machinery and equipment assets obtained from installment purchase debt	<u>105,008</u>
	<u><u>\$ 145,324</u></u>

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 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 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)

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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.

***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 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.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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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 OPEB, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt 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 among 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)

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**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, OPEB, 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. Lease Receivable**

The Village leases space to cell service providers for cell towers. A lease receivable is measured and recorded at the present value of lease payments expected to be received by the Village during the lease term using an implicit discount rate, net of any provisions for estimated uncollectible amounts. As lease payments are received from the lessee, they are first allocated to the amortization of the discount on the lease receivable and recognized as interest revenue, and then to lease receivable.

**K. 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.



**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

**L. Capital Assets**

The government-wide and the fund financial statements for proprietary funds report capital and intangible assets such as right-to-use leased assets. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation. Intangible assets are reported based on the estimated lease liabilities calculated in accordance with GASB standards.

All capital and intangible assets, except land and construction progress, are depreciated/amortized on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital and intangible asset accounts, and estimated useful lives of capital and intangible 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
Leased equipment and fixtures	1,000	Duration of lease

**M. 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 OPEB liability not included in OPEB expense.

**N. 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.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**O. 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.

**P. Employee Benefits - Compensated Absences**

Compensated absences consist of unpaid accumulated vacation and sick leave.

Vacation eligibility and accumulation is specified in the Village's labor contracts or Village policies. Some 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 31<sup>st</sup>.

**Q. Employee Benefits - Other Benefits**

Eligible Village employees participate in the ERS.

Village employees may choose to participate in the Village's elective deferred compensation plan established under Internal Revenue Code §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*.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**R. Long-Term Debt**

The Village borrows money in order to acquire or the right-to-use 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.

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.

**S. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The Village has four items that qualify for reporting in this category. First is unavailable revenues and deferred leases 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 and leases receivable. 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 OPEB liability not included in OPEB expense.

**T. 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/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, and 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.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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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:

*Restricted for Debt*

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. 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, positive amount of fund balance. Assigned fund balance may include 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, 2023, the balance was \$33,690.

*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. At May31, 2023, the balance was \$22,440.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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*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, 2023, the balance was \$30,000.

*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 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.

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

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

**2. CHANGE IN ACCOUNTING PRINCIPLES**

For the fiscal year ended May 31, 2023, the Village implemented GASB Statement No. 87, *Leases*, which provides guidance for identifying certain leased assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on payment provisions of the contract.

**3. FUTURE ACCOUNTING STANDARDS**

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

<b>Effective for the Year Ending</b>	<b>Statement</b>
May 31, 2024	GASB No. 94 – <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>
May 31, 2024	GASB No. 96 – <i>Subscription-Based Information Technology Arrangements</i>
May 31, 2024	GASB No. 99 – <i>Omnibus 2022</i>
May 31, 2025	GASB No. 101 – <i>Compensated Absences</i>
May 31, 2026	GASB No. 102 – <i>Certain Risk Disclosures</i>

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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GASB Statement No. 94 was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. In addition, the Statement provides guidance for accounting and financial reporting of available for payment arrangements (APA). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for governments.

GASB Statement No. 99 provides additional guidance to enhance comparability in accounting and financial reporting to improve consistency of previously issued literature.

GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures.

GASB Statement No. 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

**4. 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 funds 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.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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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 or financing of capital items in the fund statements and depreciation/amortization 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.

OPEB 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 OPEB 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.

**5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The Village's management submits a proposed budget for approval by the Board for the general and golf funds, the only funds with a legally adopted budget. Budgets are adopted annually on a basis consistent with 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 15<sup>th</sup>. After completion of the budget hearing, the Board may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1<sup>st</sup>. All subsequent modifications of the budget must be approved by the Board.

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 may be 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 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:

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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General Fund

Debt service payments funded by unassigned fund balance	\$ 18,579
Debt service payments (BANs Redeemed) funded by revenue	<u>1,138,643</u>
	<u>\$ 1,157,222</u>

Golf Fund

Contingent expenses funded by unrestricted net position	<u>\$ 210,551</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.

**C. Capital Projects Fund**

The capital projects fund has an unassigned fund balance deficit of \$1,463,763. 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.

**6. 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:



**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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- 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.

**7. DUE FROM STATE AND FEDERAL**

Due from state and federal at May 31, 2023 consisted of:

**Governmental Activities**

General Fund

NYS - CHIPS	\$ 52,430
Town of Brookhaven - paving	20,982
NYS - Court fees	<u>1,111</u>
	<u>74,523</u>

Capital Projects Fund

FEMA - municipal dock	1,294,942
NYS - multimodal resurfacing	<u>50,000</u>
	<u>1,344,942</u>
	<u>\$ 1,419,465</u>

Village management expects these amounts to be fully collectible.

**8. DUE FROM OTHER GOVERNMENTS**

Due from other governments at May 31, 2023 consisted of:

**Governmental Activities**

General Fund

Suffolk County - mortgage tax	<u>\$ 22,283</u>
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Village management expects these amounts to be fully collectible.

**9. CAPITAL ASSETS**

**A. Changes**

For May 31, 2022, governmental activities capital assets and related accumulation of depreciation were reclassified from outdoor improvements to infrastructure, as a result of an error in reporting in prior years. There was no change to the overall capital assets balance in the governmental activities. During the year ended May 31, 2023, the Village implemented GASB Statement No. 87, which resulted in the inclusion of leased assets as capital assets. As a result, capital assets in the business-type activities were increased by \$50,917. Capital assets and accumulated depreciation of the governmental activities and business-type activities for the year ended May 31, 2023, were as follows:

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	Balance May 31, 2022	Additions	Reductions	Balance May 31, 2023
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 164,278	\$	\$	\$ 164,278
Construction work in progress	78,590	28,343	(78,590)	28,343
Total capital assets not being depreciated	242,868	28,343	(78,590)	192,621
Capital assets being depreciated				
Buildings	4,099,092		(6,039)	4,093,053
Site improvements	1,051,564	73,304	(24,431)	1,100,437
Infrastructure	9,441,923	439,742		9,881,665
Machinery and equipment	2,971,195	66,308	(346,793)	2,690,710
Total capital assets being depreciated	17,563,774	579,354	(377,263)	17,765,865
Less accumulated depreciation for:				
Buildings	1,290,269	127,481	(2,013)	1,415,737
Site improvements	326,312	49,640	(24,431)	351,521
Infrastructure	3,841,858	144,596		3,986,454
Machinery and equipment	2,152,987	282,355	(250,766)	2,184,576
Total accumulated depreciation	7,611,426	604,072	(277,210)	7,938,288
Total capital assets being depreciated, net	9,952,348	(24,718)	(100,053)	9,827,577
Capital assets, net	\$ 10,195,216	\$ 3,625	\$ (178,643)	\$ 10,020,198
	Balance May 31, 2022	Additions	Reductions	Balance May 31, 2023
<b>Business-type activities:</b>				
Capital assets not being depreciated/amortized				
Land	\$ 18,300	\$	\$	\$ 18,300
Construction work in progress	60,562		(60,562)	-
Total capital assets not being depreciated/amortized	78,862	-	(60,562)	18,300
Capital assets being depreciated/amortized				
Buildings	2,246,733			2,246,733
Site improvements	603,787			603,787
Infrastructure	603,033			603,033
Machinery and equipment	944,959	107,503		1,052,462
Leased equipment	50,917	40,316		91,233
Total capital assets being depreciated/amortized	4,449,429	147,819	-	4,597,248
Less accumulated depreciation/amortization for:				
Buildings	1,291,270	42,095		1,333,365
Site improvements	313,840	29,903		343,743
Infrastructure	168,633	20,112		188,745
Machinery and equipment	557,798	45,856		603,654
Leased equipment	-	54,405		54,405
Total accumulated depreciation/amortization	2,331,541	192,371	-	2,523,912
Total capital assets being depreciated/amortized, net	2,117,888	(44,552)	-	2,073,336
Capital assets, net	\$ 2,196,750	\$ (44,552)	\$ (60,562)	\$ 2,091,636

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

**B. Lease Assets**

The Village has entered into a lease arrangement for golf carts that is subject to GASB Statement No. 87. The lease term is for five years with an interest rate of 3.96%. The lease is included in leased equipment as shown on the previous table. The Village has not provided any residual value guarantees related to these leased assets.

**C. 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, 2023, the Village has not recorded any such impairment losses.

**10. LEASES RECEIVABLE**

The Village entered into an agreement to lease space to cell phone carriers. Under the agreement, the Village receives monthly installments in each fiscal year covered by the agreement (June to May). However, the Village was unable to calculate the full receivable amounts as it could not obtain all the sub-lease information.

**11. INTERFUND TRANSACTIONS**

Interfund balances and activities at May 31, 2023 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 56,695	\$	\$ 1,416,183	\$ 1,114,393
Capital Projects Fund		56,695	1,114,393	1,140,042
Total Governmental Funds	56,695	56,695	2,530,576	2,254,435
Golf Fund				276,141
Total	\$ 56,695	\$ 56,695	\$ 2,530,576	\$ 2,530,576

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 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. The transfer from the capital projects fund to the general fund represents the return of unexpended amounts on capital projects originally funded by general fund appropriations and temporary financing through BANs.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**12. COLLECTIONS IN ADVANCE**

As of May 31, 2023, collections in advance in the general fund consisted of property tax liens of \$11,725, tennis fees of \$59,056, and kid's camp fees of \$65,505, while collections in advance in the proprietary fund consisted of prorated annual membership fees of \$1,330,508.

**13. SHORT-TERM DEBT**

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

	Issue Date	Maturity	Interest Rate	Balance May 31, 2022	Issued	Redeemed	Balance May 31, 2023
<b>Governmental Activities</b>							
Improvements to Municipal							
Dock - 2020	2/23/23	2/23/24	5.32%	\$ 1,491,417	\$ -	\$ -	\$ 1,491,417

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

Interest paid	\$ 69,893
Less interest accrued in the prior year	(18,181)
Plus interest accrued in the current year	20,868
Total interest expense on short-term debt	\$ 72,580

**14. LONG-TERM LIABILITIES**

**A. Changes**

During the year ended May 31, 2023, the Village implemented GASB Statement No. 87, which resulted in the reporting of lease liabilities. Long-term liability balances and activities for the governmental and business-type activities, excluding pension and OPEB liabilities, for the year are summarized below:

	Balance May 31, 2022	Additions	Reductions	Balance May 31, 2023	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Long-term debt:					
Bonds payable	\$ 2,044,568	\$ -	\$ (144,671)	\$ 1,899,897	\$ 112,371
Premium on obligation	59,251	-	(6,840)	52,411	6,464
Installment purchase debt	211,191	-	(82,850)	128,341	54,913
	2,315,010	-	(234,361)	2,080,649	173,748
Other long-term liabilities:					
Compensated absences	231,594	-	(90,925)	140,669	4,941
	\$ 2,546,604	\$ -	\$ (325,286)	\$ 2,221,318	\$ 178,689

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	Balance			Balance		Amounts
<b>Business-Type Activities:</b>	May 31, 2022	Additions	Reductions	May 31, 2023		Due Within
Long-term debt:						One Year
Bonds payable	\$ 265,432	\$	\$ (80,329)	\$ 185,103	\$	17,629
Installment purchase debt	11,495	105,008	(37,747)	78,756		52,504
Lease liabilities	50,917	40,316	(45,012)	46,221		46,221
	327,844	145,324	(163,088)	310,080		116,354
Other long-term liabilities:						
Compensated absences	55,578	3,322		58,900		-
	<u>\$ 383,422</u>	<u>\$ 148,646</u>	<u>\$ (163,088)</u>	<u>\$ 368,980</u>	<u>\$</u>	<u>116,354</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.

Additions and reductions to compensated absences are shown net since it is impractical to separately determine these amounts. The maturity of compensated absences is not determinable.

**B. Bonds Payable**

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2023
<b>Governmental Activities:</b>				
Public improvement				
Garbage truck	2016	7/15/32	2.19%	\$ 129,897
Village Improvements	2021	10/15/37	2.00%	1,770,000
				<u>\$ 1,899,897</u>
<b>Business-type Activities:</b>				
Golf course renovation				
Serial bond - bulk head	2016	7/15/32	2.190%	<u>\$ 185,103</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
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	124,433	27,368	20,567	2,091
2029-2033	649,794	97,487	85,206	3,829
2034-2038	650,000	33,100		
	<u>\$ 1,899,897</u>	<u>\$ 292,064</u>	<u>\$ 185,103</u>	<u>\$ 18,757</u>

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**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
2024	\$ 6,464
2025	6,079
2026	5,685
2027	5,281
2028	4,867
2029-2033	17,815
2034-2038	6,220
	\$ 52,411

**D. Installment Purchase Debt Payable**

Installment purchase debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2023
<b>Governmental Activities:</b>				
Work Boat & Sanitation Truck	2020	1/1/25	2.45%	\$ 92,263
Senior Van	2022	2/28/27	2.00%	36,078
				\$ 128,341
<b>Business-type Activities:</b>				
Avant 760 Loader with attachments	2022	11/1/24	0.000%	\$ 78,756

The following is a summary of debt service requirements for installment purchase debt payable:

Year Ending May 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 54,913	\$ 3,488	\$ 52,504	\$
2025	56,396	2,005	26,252	
2026	10,088	480		
2027	6,944	101		
	\$ 128,341	\$ 6,074	\$ 78,756	\$ -

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**E. Lease Liabilities**

Lease liabilities are comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2023
<b>Business-type Activities:</b>				
Golf carts	10/2018	11/2023	3.96%	<u>\$ 46,221</u>

The following is a summary of debt service requirements for lease liabilities:

Year Ending May 31,	Business-Type Activities		
	Principal	Interest	Total
2024	<u>\$ 46,221</u>	<u>\$ 1,869</u>	<u>\$ 48,090</u>

**F. Interest Expense**

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

	Governmental Activities	Business-Type Activities
Interest paid	\$ 46,875	\$ 9,671
Less interest accrued in the prior year	(5,333)	(2,434)
Plus interest accrued in the current year	3,151	1,458
Less amortization of deferred premiums	<u>(6,840)</u>	
Total interest expense on long-term debt	<u>\$ 37,853</u>	<u>\$ 8,695</u>

**G. 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, 2023, debt in the amount of \$1,000,000 has been issued to provide funding for the projects, and \$100,000 remains unissued.

**15. 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, withdrawal, 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)

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**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](http://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 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by the prior February 1<sup>st</sup>. The Village paid 100% of the required contributions as billed by the ERS for the current year. The Village's average contribution rate was 10.23% of covered payroll for the ERS' fiscal year ended March 31, 2023.

The Village's share of the required contributions, based on covered payroll for the Village's year ended May 31, 2023 was \$159,537 at an average contribution rate of 11.06%.

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

At May 31, 2023, 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, 2023. The total pension 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.



**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Measurement date	March 31, 2023
Village's proportionate share of the net pension liability	\$ (901,804)
Village's portion of the Plan's total pension liability	0.0042054%
Change in proportion since the prior measurement date	(0.0006715)

For the year ended May 31, 2023, the Village recognized a pension expense of \$342,162 for ERS. At May 31, 2023, 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	\$ 82,475	\$ 21,747	\$ 13,574	\$ 3,579
Changes of assumptions	376,077	4,156	61,897	684
Net difference between projected and actual earnings on pension plan investments		4,549		749
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	73,654	24,904	12,122	4,099
Village contributions subsequent to the measurement date	24,500		4,032	
Total	<u>\$ 556,706</u>	<u>\$ 55,356</u>	<u>\$ 91,625</u>	<u>\$ 9,111</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, 2024. 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
2024	\$ 124,971	\$ 20,568
2025	(23,042)	(3,792)
2026	167,253	27,527
2027	207,668	34,179
	<u>\$ 476,850</u>	<u>\$ 78,482</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, 2023
Actuarial valuation date	April 1, 2022
Inflation	2.90%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

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-2021. 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, 2023
Asset class		
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Real estate equity	9.0%	4.60%
Private equity	10.0%	7.50%
Alternative investments	10.0%	5.38-5.84%
Fixed income	23.0%	1.50%
Cash	1.0%	0.00%
	<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>\$ (2,179,272)</u>	<u>\$ (901,804)</u>	<u>\$ 165,670</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, 2023
	<b>(Dollars in thousands)</b>
Employers' total pension liability	\$ (232,627,259)
Plan fiduciary net position	<u>211,183,223</u>
Employers' net pension liability	<u>\$ (21,444,036)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	90.78%

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, 2023, represent the projected employer contribution for the period of April 1, 2023 through May 31, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2023 amounted to \$28,532 of employer contributions. Employee contributions are remitted monthly.

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**16. 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, 2023 totaled \$17,987.

**17. 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 GASB Statement No. 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>19</u>
	<u><u>31</u></u>

**B. Total OPEB Liability**

The Village's total OPEB liability of \$7,576,703 was measured as of May 31, 2023, and was determined by an actuarial valuation as of June 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

*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	3.67%	
Healthcare cost trend rates	6.50%	decreasing to an ultimate rate of 5.00% by 2026
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.

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 Statement No, 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, 2022	<u>\$ 5,825,762</u>	<u>\$ 2,326,143</u>	<u>\$ 8,151,905</u>
Changes for the year			
Service cost	197,126	23,914	221,040
Interest on total OPEB liability	182,864	72,874	255,738
Differences between expected and actual experience	(5,360)	122,072	116,712
Changes in assumptions or other inputs	(555,220)	(337,761)	(892,981)
Benefit payments	<u>(210,233)</u>	<u>(65,478)</u>	<u>(275,711)</u>
	<u>(390,823)</u>	<u>(184,379)</u>	<u>(575,202)</u>
Balance at May 31, 2023	<u>\$ 5,434,939</u>	<u>\$ 2,141,764</u>	<u>\$ 7,576,703</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% in 2022 to 3.67% in 2023.

*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 2.67 %	Discount Rate 3.67 %	1% Increase 4.67 %
Governmental Activities			
Total OPEB liability	<u>\$ (6,381,769)</u>	<u>\$ (5,434,939)</u>	<u>\$ (4,687,881)</u>
	1% Decrease 2.67 %	Discount Rate 3.67 %	1% Increase 4.67 %
Business-Type Activities			
Total OPEB liability	<u>\$ (2,514,884)</u>	<u>\$ (2,141,764)</u>	<u>\$ (1,847,368)</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%
<b>Governmental Activities</b>			
Total OPEB liability	<u>\$ (4,677,712)</u>	<u>\$ (5,434,939)</u>	<u>\$ (6,407,517)</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%
<b>Business-Type Activities</b>			
Total OPEB liability	<u>\$ (1,843,361)</u>	<u>\$ (2,141,764)</u>	<u>\$ (2,525,031)</u>

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

For the year ended May 31, 2023, the Village recognized OPEB expense of \$370,968 and \$66,009 for the governmental activities and business-type activities, respectively. At May 31, 2023, 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	\$ 261,370	\$ 176,193	\$ 437,563	\$ 60,255	\$ 65,378	\$ 125,633
Changes of assumptions	622,518	360,381	982,899	1,373,318	738,359	2,111,677
	<u>\$ 883,888</u>	<u>\$ 536,574</u>	<u>\$ 1,420,462</u>	<u>\$ 1,433,573</u>	<u>\$ 803,737</u>	<u>\$ 2,237,310</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
2024	\$ (9,022)	\$ (30,779)	\$ (39,801)
2025	(9,022)	(30,779)	(39,801)
2026	(20,925)	(35,140)	(56,065)
2027	(169,575)	(48,463)	(218,038)
2028	(204,005)	(64,441)	(268,446)
Thereafter	(137,136)	(57,561)	(194,697)
	<u>\$ (549,685)</u>	<u>\$ (267,163)</u>	<u>\$ (816,848)</u>

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**15. DEFERRED INFLOWS OF RESOURCES**

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

General Fund:	
NYS - CHIPS	\$ 52,433
Leases	472,019
	<u>524,452</u>
Capital Projects Fund:	
FEMA - municipal dock	1,294,941
NYS - Multimodal grant	50,000
	<u>1,344,941</u>
Total	<u>\$ 1,869,393</u>

**16. 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, 2023, 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. 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 \$1,021,060 at May 31, 2023. Total installment payments recognized under this agreement were \$240,987 for the business-type activities for the year ended May 31, 2023.

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

**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

these installment payments is estimated to be \$74,000 at May 31, 2023. Total installment payments received under this agreement were \$12,950 for the business-type activities for the year ended May 31, 2023. The Village reports a receivable and deferred inflow of resources in the amount of \$1,095,060 at May 31, 2023, pursuant to these service concession arrangements. Of the \$1,095,060 accounts receivable, \$263,676 is presented as a current asset and the remaining amount of \$831,384 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>
2024	\$ 263,676
2025	270,506
2026	277,086
2027	<u>283,792</u>
	<u><u>\$ 1,095,060</u></u>

**E. 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.

**F. Encumbrances**

All encumbrances are classified as assigned fund balance. At May 31, 2023, the Village encumbered the following funds:

Assigned, Unappropriated Fund Balance

General Fund

General government support	\$ 31,089
Public safety	8,789
Culture and recreation	1,058
Home and community services	<u>2,117</u>
	<u>43,053</u>

Enterprise Fund

Golf Fund

Golf course	818
Pro shop	<u>8,392</u>
	<u>9,210</u>
	<u><u>\$ 52,263</u></u>

**G. 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



**INCORPORATED VILLAGE OF BELLPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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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 \$913,234 for the year ended May 31, 2023, and are included within the golf course operating expenses of the proprietary fund.

**17. PRIOR PERIOD ADJUSTMENT**

The May 31, 2022, net position was reduced by \$247,612 as the Village received notification that certain FEMA expenditures would not be reimbursed. Revenue was recognized in the government-wide financial statements in prior year years. This had no impact on the capital projects fund balance as the revenue was not available for current use and was reported as a deferred inflow of resources at the fund level.

**18. SUBSEQUENT EVENTS**

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

**Bond Anticipation Notes Payable**

On March 14, 2024, the Village obtained approval to extend the maturity date of the bond anticipation notes from February 23, 2024 to May 23, 2024 at the same interest rate.

**INCORPORATED VILLAGE OF BELLPORT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For the Year Ended May 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>REVENUES</b>				
Real Property Taxes	\$ 2,982,048	\$ 2,982,048	\$ 2,979,747	\$ (2,301)
Other Real Property Tax Items				
Interest and penalties on real property tax items	10,000	10,000	20,836	10,836
Non-Property Tax Items				
Utilities gross receipts tax	60,000	60,000	60,411	411
Franchise fees	65,000	65,000	75,548	10,548
Total Non-Property Tax Items	125,000	125,000	135,959	10,959
Departmental Income				
Treasurer	4,000	4,000	3,500	(500)
Tax advertising			50	50
Fire inspection	250	250		(250)
Safety inspection	181,600	181,600	332,781	151,181
Ferry	61,500	61,500	100,916	39,416
Park recreational	75,500	75,500	114,458	38,958
Marina	229,500	229,500	248,233	18,733
Camp	86,000	86,000	96,690	10,690
Refuse and garbage	578,173	578,173	582,160	3,987
Total Departmental Income	1,216,523	1,216,523	1,478,788	262,265
Use of Money and Property				
Interest and earnings	10,000	10,000	16,024	6,024
Rental of property	127,650	127,650	151,344	23,694
Total Use of Money & Property	137,650	137,650	167,368	29,718
Licenses and Permits				
License fees	7,000	7,000	26,201	19,201
Fines and Forfeitures				
Fines and forfeitures	16,500	16,500	12,600	(3,900)
Sales and Compensation for Loss				
Minor sales	27,000	27,000	40,403	13,403
Insurance recoveries	17,000	17,000	8,152	(8,848)
Total Minor Sales and Compensation for Loss	44,000	44,000	48,555	4,555
Miscellaneous				
Gifts & donations			1,063	1,063
Other unclassified revenue	26,336	26,336	20,604	(5,732)
Total Miscellaneous	26,336	26,336	21,667	(4,669)
State Aid				
Revenue sharing			16,336	16,336
Mortgage tax	65,000	65,000	92,895	27,895
Grants - general	164,547	164,547		(164,547)
Consolidated highway aid	149,657	149,657	102,602	(47,055)
Total State Aid	379,204	379,204	211,833	(167,371)
Federal Aid				
Emergency disaster assistance	35,000	35,000	73,392	38,392
Total Revenues	4,979,261	4,979,261	5,176,946	197,685
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	276,141	1,414,784	1,416,183	1,399
Total Revenues and Other Sources	5,255,402	6,394,045	6,593,129	\$ 199,084
<b>APPROPRIATED FUND BALANCE</b>				
Prior Years' Surplus	93,600	93,600		
Prior Year's Encumbrances	29,319	29,319		
Appropriated Fund Balance			18,579	
Total Appropriated Fund Balance	122,919	141,498		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	\$ 5,378,321	\$ 6,535,543		

**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, 2023

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>EXPENDITURES</b>					
General Government Support					
Legislative	\$ 21,800	\$ 16,200	\$ 16,200	\$	\$ -
Village Court	17,900	13,239	13,239		-
Executive	9,000	9,000	9,000		-
Auditor	67,000	67,000	35,832	30,000	1,168
Treasurer	179,860	161,569	161,569		-
Assessment		12,750	12,750		-
Fiscal Agent	20,500	21,652	21,652		-
Clerk	385,894	377,692	376,603	1,089	-
Law	80,000	101,576	101,576		-
Election	3,450	1,945	1,945		-
Operation of buildings	232,940	262,321	262,321		-
Unallocated insurance	201,600	189,103	189,103		-
Municipal association dues	4,000	3,436	3,436		-
MTA tax	6,500	6,500	5,464		1,036
Other governmental support	10,000	37,500	37,500		-
Total General Support	1,240,444	1,281,483	1,248,190	31,089	2,204
Public Safety					
Safety inspections	151,590	147,144	147,144		-
Other	180,389	193,678	184,889	8,789	-
Total Public Safety	331,979	340,822	332,033	8,789	-
Transportation					
Street maintenance	17,500	54,577	13,704		40,873
CHIPs	149,657	155,035	155,035		-
Street lighting	96,099	88,315	88,315		-
Total Transportation	263,256	297,927	257,054	-	40,873
Culture and Recreation					
Parks	2,500	4,682	4,682		-
Community Center	32,950	34,001	34,001		-
Special recreation	393,679	458,698	447,639	1,058	10,001
Youth	56,700	56,574	56,574		-
Celebrations	26,500	24,872	24,872		-
Total Culture and Recreation	512,329	578,827	567,768	1,058	10,001
Home and Community Services					
Refuse collection and disposal	551,137	532,167	531,817	350	-
Street cleaning	829,905	751,620	749,853	1,767	-
Shade trees	5,000	1,100	1,100		-
Senior program	35,000	53,625	38,513		15,112
Total Home and Community Services	1,421,042	1,338,512	1,321,283	2,117	15,112

**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, 2023

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>EXPENDITURES (Continued)</b>					
Employee Benefits					
State retirement	\$ 210,000	\$ 135,471	\$ 135,471	\$	\$ -
Social security and Medicare	140,000	140,000	133,983		6,017
Workers' compensation	125,000	110,354	100,719		9,635
Unemployment	10,000	10,000	6,705		3,295
Disability	3,000	3,000	491		2,509
Hospital and medical insurance	609,063	628,399	628,399		-
Other benefits	20,000	20,550	20,550		-
Total Employee Benefits	<u>1,117,063</u>	<u>1,047,774</u>	<u>1,026,318</u>	<u>-</u>	<u>21,456</u>
Debt Service					
Principal	374,387	392,966	227,521		165,445
Interest	<u>117,821</u>	<u>118,589</u>	<u>116,768</u>		<u>1,821</u>
Total Debt Service	<u>492,208</u>	<u>511,555</u>	<u>344,289</u>	<u>-</u>	<u>167,266</u>
Total Expenditures	5,378,321	5,396,900	5,096,935	43,053	256,912
<b>OTHER FINANCING USES</b>					
Operating transfers out		<u>1,138,643</u>	<u>1,114,393</u>		<u>24,250</u>
Total Expenditures and Other Uses	<u>\$ 5,378,321</u>	<u>\$ 6,535,543</u>	<u>6,211,328</u>	<u>\$ 43,053</u>	<u>\$ 281,162</u>
Net Change in Fund Balance			381,801		
Fund Balance - Beginning of Year			<u>1,343,203</u>		
Fund Balance - End of Year			<u>\$ 1,725,004</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 Nine Fiscal Years

	<i>Employees' Retirement System</i>								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Village's proportion of the net pension asset/(liability)	0.0042054%	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)	\$ (901,804)	\$ 398,665	\$ (4,268)	\$ (1,080,139)	\$ (290,034)	\$ (153,891)	\$ (450,756)	\$ (932,173)	\$ (187,245)
Village's covered payroll	1,536,766	\$ 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	58.68 %	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 liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

*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>2023</u>	<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>
Contractually required contribution	\$ 159,537	\$ 223,567	\$ 208,131	\$ 192,508	\$ 190,326	\$ 186,375	\$ 195,689	\$ 259,398	\$ 235,571	\$ 214,886
Contributions in relation to the contractually required contribution	<u>159,537</u>	<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>
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	\$ 1,442,776	\$ 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
Contributions as a percentage of covered payroll	11%	15%	13%	13%	13%	14%	14%	19%	17%	14%

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

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 221,040	\$ 413,949	\$ 408,705	\$ 282,165	\$ 248,491
Interest on total OPEB liability	255,738	208,289	196,819	243,306	238,334
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	116,712	-	576,296	(259,484)	-
Changes of assumptions or other inputs	(892,981)	(1,423,855)	(543,038)	1,854,865	382,216
Benefit payments	(275,711)	(199,327)	(182,901)	(145,750)	(113,254)
Net change in total OPEB liability	(575,202)	(1,000,944)	455,881	1,975,102	755,787
Total OPEB liability, beginning	8,151,905	9,152,849	8,696,968	6,721,866	5,966,079
Total OPEB liability, ending	<u>\$ 7,576,703</u>	<u>\$ 8,151,905</u>	<u>\$ 9,152,849</u>	<u>\$ 8,696,968</u>	<u>\$ 6,721,866</u>
Covered employee payroll	\$ 1,183,169	\$ 1,374,178	\$ 1,340,661	\$ 1,270,884	\$ 1,239,887
Total OPEB liability as a percentage of covered employee payroll	640.37%	593.22%	682.71%	684.32%	542.14%
Discount rate	3.67%	3.16%	2.20%	2.16%	3.51%
Healthcare trend rates	6.50% to 5.00% by 2026	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, 2023

	Original Budget	Final Budget	Actual		Final Budget Variance with Actual
<b>OPERATING REVENUES</b>					
Charges for Services:					
Golf memberships	\$ 1,495,391	\$ 1,495,391	\$ 1,660,866		\$ 165,475
Golf carts	282,908	282,908	364,774		81,866
Golf rental income	248,041	248,041	261,801		13,760
Greens fees	160,000	160,000	216,723		56,723
Golf tournaments	56,000	56,000	56,740		740
Pro shop	98,250	98,250	151,665		53,415
Other services	148,125	148,125	199,155		51,030
Total Operating Revenues	2,488,715	2,488,715	2,911,724		423,009
<b>APPROPRIATED FUND BALANCE</b>					
Prior Year's Encumbrances	141,919	141,919			(141,919)
Total Operating Revenues and Appropriated Fund Balance	<u>\$ 2,630,634</u>	<u>\$ 2,630,634</u>	<u>2,911,724</u>		<u>\$ 281,090</u>
				Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>OPERATING EXPENSES</b>					
Golf course	\$ 1,571,771	\$ 1,559,415	1,425,516	\$ 818	\$ 133,081
Pro shop	483,405	484,705	474,373	8,392	1,940
Depreciation		192,371	192,371		-
Employee benefits	191,950	175,430	175,430		-
Loss on disposal of assets		60,562	60,562		-
Total Operating Expenses	<u>2,247,126</u>	<u>2,472,483</u>	<u>2,328,252</u>	<u>9,210</u>	<u>135,021</u>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>					
Federal sources			4,564		(4,564)
Debt service, principal	(80,329)	(61,750)			(61,750)
Debt service, interest	(6,442)	(10,215)	(8,695)		(1,520)
Operating transfers out	<u>(276,141)</u>	<u>(276,141)</u>	<u>(276,141)</u>		-
Total Non-operating Expenses	<u>(362,912)</u>	<u>(348,106)</u>	<u>(280,272)</u>	<u>-</u>	<u>(67,834)</u>
Change in net position	<u>\$ 20,596</u>	<u>\$ (189,955)</u>	303,200	<u>\$ 9,210</u>	<u>\$ 78,235</u>
Total Net Position - Beginning of Year			<u>133,185</u>		
Total Net Position - End of Year			<u>\$ 436,385</u>		



**INCORPORATED VILLAGE OF BELLPORT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund**  
May 31, 2023

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended	Methods of Financing				Fund
	May 31, 2022	May 31, 2023	Prior	Current	Total		Balance	Proceeds of	Federal &	Local Sources	Total
			Years	Year			Obligations	State Aid			May 31, 2023
Main pier bulkhead replacement - FEMA	\$ 3,100,793	\$ 3,100,793	\$ 2,979,107	\$ 43,240	\$ 3,022,347	\$ 78,446	\$ 299,600	\$ 2,433,583	\$ 367,610	\$ 3,100,793	\$ 78,446
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	461,742	248,673	213,069	461,742	-		460,000	1,742	461,742	-
Main "Rock" dock project	500,000	500,000	326,184	72,573	398,757	101,243	500,000			500,000	101,243
Brown's Lane bulkhead, related road work	500,000	500,000	269,624	40,042	309,666	190,334	500,000			500,000	190,334
Playground	151,102	151,102	149,702		149,702	1,400		112,500	38,602	151,102	1,400
Pavilion Removal	104,974	74,350	74,350		74,350	-		74,350		74,350	-
Totals	\$ 4,866,869	\$ 4,837,987	\$ 4,097,640	\$ 368,924	\$ 4,466,564	\$ 371,423	\$ 1,299,600	\$ 3,130,433	\$ 407,954	\$ 4,837,987	371,423
								Less: Federal and state aid revenues not yet realized			(1,542,209)
								Transfer to the general fund			(1,400)
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