

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
FINANCIAL STATEMENTS
MAY 31, 2018**

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**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

As management of the Village of Great Neck (the "Village"), we offer readers the Village's financial statements in a narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2018.

FINANCIAL HIGHLIGHTS

As reflected in the government-wide financial statements, the assets of the Village exceeded its liabilities at May 31, 2018 by \$3,850,246 (net position), of which \$546,712 is unrestricted and may be used to meet the government's ongoing obligations to residents, business and creditors in accordance with the Village's fund designation and fiscal policies.

As reflected in the fund financial statements as of the close of the fiscal year, the Village's governmental funds reported an ending fund balance of \$7,406,678. Of this amount, \$1,942,709 is restricted, \$657,916 is assigned and \$4,806,053 is unassigned.

Effective June 1, 2017, the Village adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and GASB 68*. As a result of the adoption of GASB No. 73, the Village has restated its May 31, 2017 financial statements to reflect the transfer of these assets to the General Fund by increasing the fund balance by \$889,270 and decreasing the beginning net position by \$671,424.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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 between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The Statement of Activities presents information showing how the Village's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future years.

Both of the government-wide financial statements distinguish function and programs of the Village that are principally supported by taxes or intergovernmental revenues (governmental activities) from programs that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Village include general government, justice court, building department, contracted fire and ambulance, roads and highways, and sanitation service. The Village has no business-type activities.

The government-wide financial statements can be found on pages 11 - 12 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
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Governmental Funds - Governmental funds are used to account for essentially the same function and programs reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains four governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund, Special Revenue Fund and Debt Service Fund.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

The Village adopts an annual appropriated budget for its General Fund. The Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund has been included as required supplementary information and demonstrate compliance with this budget.

The required supplementary information can be found on pages starting on page 41 this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for parties outside of the Village and are not included in the government-wide financial statements because their resources are not available to support the Village's programs. The accounting used for fiduciary funds is based on the full accrual method of accounting. The Statement of Fiduciary Net Position is included in the basic financial statement section of this report,

The fiduciary fund financial statements can be found on page 17 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 18 - 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At May 31, 2018, the Village's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,850,246 at the close of the most recent fiscal year.

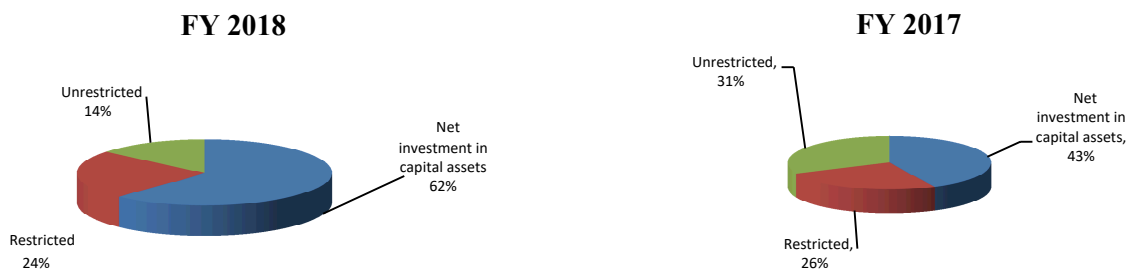
The Village has a net investment in capital assets, net of related debt totaling \$2,374,713 at May 31, 2018, and a restricted balance of \$937,381 for capital projects, workers compensation, unemployment benefits reserve, parkland trust, and debt service. The remaining balance of unrestricted net position totaling \$538,152 may be used to meet the government's ongoing obligations to its residents and creditors.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

VILLAGE'S NET POSITION

	Governmental Activities		
	2018	2017	Change
Assets:			
Current and other assets	\$ 8,158,225	\$ 6,703,248	\$ 1,454,977
Capital assets (net of accumulated depreciation)	9,636,180	9,883,209	(247,029)
Deferred outflows of resources	827,669	454,655	373,014
Total Assets and Deferred Outflows of Resources	18,622,074	17,041,112	1,580,962
Liabilities:			
Current liabilities	1,948,382	1,851,582	96,800
Non-current liabilities	11,911,921	11,403,188	508,733
Deferred inflows of resources	911,525	230,809	680,716
Total Liabilities and Deferred Inflows of Resources	14,771,828	13,485,579	1,286,249
Net position:			
Net investment in capital assets	2,374,713	1,515,876	858,837
Restricted	937,381	920,865	16,516
Unrestricted	538,152	1,118,792	(580,640)
Total Net Position	\$ 3,850,246	\$ 3,555,533	\$ 294,713

As of May 31, 2018 and 2017, the Village's three components of net position are as follows:



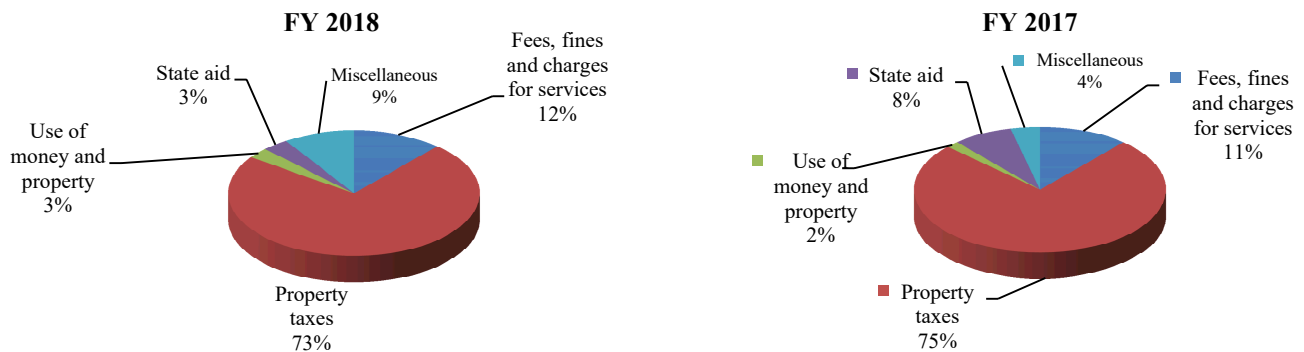
Currently, the largest portion of the Village's net position is the net investment in capital assets, which increased over the prior year by \$858,837 as a result of the pay down of bonds and offset by current depreciation. The restricted net position was consistent year over year and this represents the amount of financial resources that are restricted to a particular use through state and local laws. The remaining portion of net position is unrestricted and will be used to meet the government's ongoing obligations to its residents and creditors.

Non-current liabilities increased from by \$508,733 which is the result of the additional LOSAP obligation recorded for the first time in fiscal year 2018 partially offset by the payment of serial bonds.

**VILLAGE OF GREAT NECK
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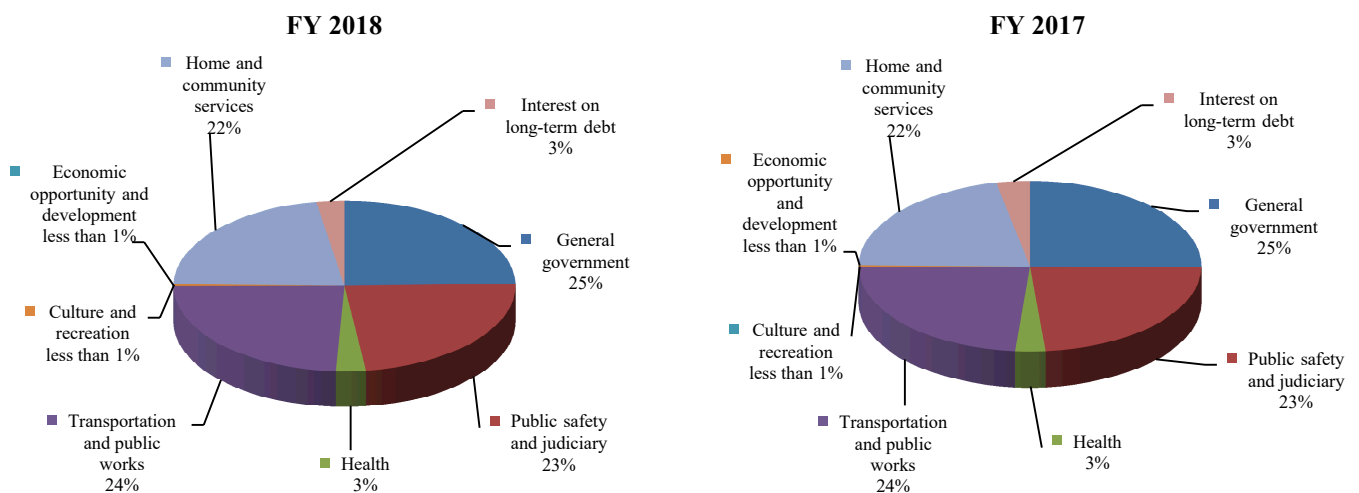
Analysis of the Village's Operations – Governmental activities increased the Village's net position by \$966,137. The increase is primarily due to the special revenue income.

Revenue by Major Category
Governmental Activities
For the Fiscal Years Ended May 31, 2018 and 2017



Overall, the Village's expenses for governmental activities were similar compared to last year and the program expenses by function remains substantially the same.

Expenses by Type
Governmental Activities
For the Fiscal Years Ended May 31, 2018 and 2017



**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

The following table provides a summary of the Village's operations for the years ended May 31, 2018 and 2017.

VILLAGE'S CHANGES IN NET POSITION

	Governmental Activities		
	2018	2017	Change
Revenues:			
Program revenue:			
Fees, fines and charges for services	\$ 1,177,909	\$ 1,118,818	\$ 59,091
General revenues:			
Property taxes and other property tax items	7,488,701	7,347,464	141,237
Use of money and property	282,666	160,994	121,672
State aid	347,629	743,733	(396,104)
Miscellaneous	932,806	368,845	563,961
Total Revenues	<u>10,229,711</u>	<u>9,739,854</u>	<u>489,857</u>
Program expenses:			
General government	2,278,226	2,272,813	5,413
Public safety	2,168,033	2,122,734	45,299
Health	260,421	257,928	2,493
Transportation and public works	2,233,803	2,129,309	104,494
Economic opportunity and development	-	1,500	(1,500)
Culture and recreation	34,076	33,516	560
Home and community services	2,045,213	1,952,295	92,918
Interest on long-term debt	243,802	285,036	(41,234)
Total Expenses	<u>9,263,574</u>	<u>9,055,131</u>	<u>208,443</u>
Change in Net Position	966,137	684,723	281,414
Net Position - June 1st (as restated)	<u>2,884,109</u>	<u>2,870,810</u>	<u>(13,299)</u>
Net Position - May 31st	<u>\$ 3,850,246</u>	<u>\$ 3,555,533</u>	<u>\$ 294,713</u>

Revenue Categories:

Program Revenues – includes charges for services which provide a direct benefit to the purchaser, fees for licenses and permits and fines.

General Revenues – include revenues that are available to fund the overall government and to provide a benefit to all taxpayers in the village. This includes miscellaneous funds that may be generated during the course of the year such as insurance recoveries, interest earned on bank accounts and rental properties that owned by the village.

Expense Categories:

General – includes expenditures which relate to the overall support of the government.

Public Safety – includes fire protection and safety inspection.

Health – is ambulance service.

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COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

Transportation and Public Works – includes street construction and maintenance, snow removal, and related services.

Economic opportunity and development – includes the economic development and related expenditures.

Culture and Recreation – includes the parks and related expenditures.

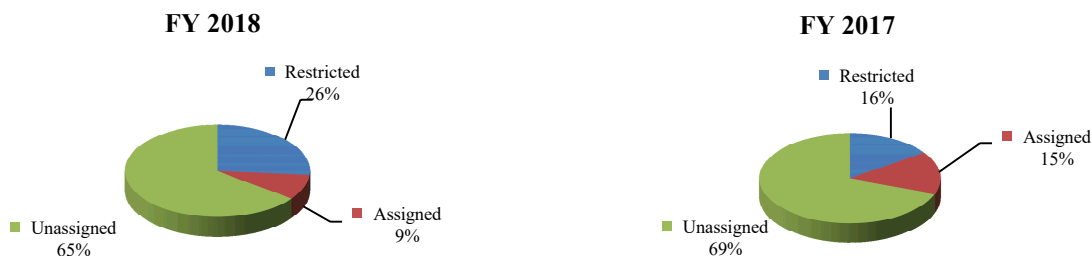
Home and Community Services – includes garbage and recycling programs.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

Fund Balances by Type
Governmental Funds



At the end of the fiscal year, the Village's governmental funds reported an ending fund balance of \$7,406,678, an increase of \$405,554 in comparison to the prior year. Of the total fund balance, \$4,797,493 (65%) constitutes unassigned fund balance. The assigned fund balance of \$657,916 has been designated by the Board of Trustees for subsequent year's expenditures (\$482,843) and community benefit (\$175,073). The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed (1) to pay for worker's compensation insurance of \$5,488, (2) to pay for unemployment insurance of \$30,084, (3) to fund service award pension benefits \$1,013,888, (4) to pay for parkland trust reserves of \$694,670, (5) to pay for debt service of \$198,579, and (6) to pay for capital reserve of \$8,560.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,865,522 and total fund balance was \$6,572,898. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 74% of total General Fund expenditures.

The fund balance of the Village's General Fund increased by \$457,464 during the fiscal year the key factor in this was the income by special revenue fund.

Capital Projects Fund - The fund balance of the Village's Capital Projects Fund decreased by \$59,792 during the fiscal year to a deficit of (\$59,469). The key factor in this was expenditures related to road construction which were not fully funded by transfers from other funds.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

Special Revenue Fund - The fund balance of the Village's Special Revenue Fund increased by \$6,138 during the fiscal year to \$694,670. The key factor in this was interest income.

Debt Service Fund - The fund balance of the Village's Debt Service Fund increased by \$1,744 during the fiscal year to \$198,579. The key factor in this was interest income.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village's General Fund adopted budget for the year ended May 31, 2018 was \$9,791,194.

The budget was funded through a combination of revenues and transfers. The major funding sources were real property taxes of \$7,305,677, fines and forfeitures of \$500,100, and departmental income of \$551,900. There were no additional appropriations during the year.

The General Fund performed favorably compared to budgeted revenues and favorably to budgeted expenditures. Actual revenues were \$9,644,019 compared to the original budget of \$9,791,194 with a negative variance to budget of \$147,175. This unfavorable variance was primarily due to the departmental income and interest earnings.

Actual expenditures for the year were \$9,186,555 compared to the original budget of \$9,791,194 with a positive variance to budget of \$604,639. This favorable variance was primarily due to an unexpected decrease in general government, public safety and employee benefits.

CAPITAL ASSETS

The Village's net investment in capital assets for its governmental activities as of May 31, 2018, amounted to \$9,636,180 (net of accumulated depreciation). This investment in capital assets includes land, land improvements including roads, firehouse consortium building, village buildings, machinery and equipment, and infrastructure.

**Capital Assets at Year-End
Net of Accumulated Depreciation**

	Governmental Activities	
	2018	2017
Land	\$ 111,672	\$ 111,672
Land improvements	387,404	425,439
Firehouse consortium building	961,659	998,645
Village buildings	267,042	282,305
Machinery and equipment	1,069,944	1,288,437
Infrastructure	6,838,459	6,776,711
Total	<u>\$ 9,636,180</u>	<u>\$ 9,883,209</u>

Additional information on the Village's capital assets can be found in Note 6 starting on page 28 of this report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2018**

DEBT ADMINISTRATION

The Village borrows money in order to acquire land or equipment or construct buildings and improvements or infrastructure. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The Village pledges its full faith and credit for the payment of principal and interest. At the end of the fiscal year, the Village had total bonded debt of \$7,261,467. In addition, there were no new serial bonds issued in fiscal year 2018.

Outstanding Debt at Year End

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ 7,261,467	\$ 8,367,333

Additional information on the Village's long-term debt can be found in footnote 7 on page 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property Tax - The 2019 combined budget appropriations are \$9,673,329 which is approximately a 1% decrease over the current year's budget.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Village's clerk, as the Clerk is responsible for the day-to-day operations, financing issues and the Village's budget. They can be contacted at Village of Great Neck, 61 Baker Hill Road, Great Neck, NY 11023.



SATTY, LEVINE & CIACCO, CPAs, P.C.

Certified Public Accountants & Business Advisors

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees of the
Village of Great Neck

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village of Great Neck, New York (the "Village"), as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village of Great Neck, as of May 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1.V. to the financial statements, the Village had adopted Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 8, the schedule of funding progress for other post-employment benefits on page 41, the schedule of funding progress for service award programs on page 42, the schedule of the Village's proportionate share of the net pension (asset)/liability on page 43, the schedule of the Village's contributions on page 44 and budgetary comparison information on page 45, 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 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Great Neck's basic financial statements. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.



Satty, Levine & Ciacco, CPAs, P.C.
Jericho, New York
January 3, 2019

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2018**

	GOVERNMENTAL ACTIVITIES
<hr/>	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 5,892,369
Accounts receivable	314,187
Due from fiduciary fund	400
Restricted assets:	
Cash and cash equivalents	937,381
LOSAP plan assets	1,013,888
TOTAL CURRENT ASSETS	<u>8,158,225</u>
NON-CURRENT ASSETS:	
Non-depreciable capital assets	111,672
Depreciable capital assets (net)	9,524,508
TOTAL NON-CURRENT ASSETS	<u>9,636,180</u>
TOTAL ASSETS	<u>17,794,405</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	827,669
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>827,669</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 18,622,074</u></u>
<hr/>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	\$ 477,945
Accrued interest payable	69,508
Accrued benefits	163,169
Current portion of long term liabilities (due within one year):	
General obligation bonds payable	1,056,510
Claims and judgments payable	180,000
TOTAL CURRENT LIABILITIES	<u>1,947,132</u>
NON-CURRENT LIABILITIES:	
Pension liabilities	2,001,154
General obligation bonds payable	6,204,957
Compensated absences	158,258
Postemployment benefits other than pensions	3,548,802
TOTAL NON-CURRENT LIABILITIES	<u>11,913,171</u>
TOTAL LIABILITIES	<u>13,860,303</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	879,359
Premium on refunding bonds, net of amortization	32,166
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>911,525</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u><u>14,771,828</u></u>
NET POSITION:	
Net investment in capital assets	2,374,713
Restricted	937,381
Unrestricted	538,152
TOTAL NET POSITION	<u>3,850,246</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u><u>\$ 18,622,074</u></u>

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2018

FUNCTIONS/PROGRAMS:	PROGRAM REVENUE				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	FEES, FINES AND CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government	\$ 2,278,226	\$ 3,046	\$ -	\$ -	\$ (2,275,180)
Public safety and judiciary	2,168,033	993,799	-	-	(1,174,234)
Health	260,421	-	-	-	(260,421)
Transportation and public works	2,233,803	5,095	-	-	(2,228,708)
Culture and recreation	34,076	-	-	-	(34,076)
Home and community services	2,045,213	175,968	-	-	(1,869,245)
Interest on debt	243,802	-	-	-	(243,802)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 9,263,574</u>	<u>\$ 1,177,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,085,666)</u>
GENERAL REVENUES:					
Real property taxes					7,233,404
Other real property tax items					255,297
Non-property tax items					305,542
Use of money and property					282,666
Sale of property and compensation for loss					35,500
Mortgage tax and other state aid					347,629
Other					<u>591,765</u>
TOTAL GENERAL REVENUES					<u>9,051,803</u>
CHANGE IN NET POSITION					966,137
NET POSITION - BEGINNING (RESTATED)					<u>2,884,109</u>
NET POSITION - ENDING					<u>\$ 3,850,246</u>

See independent auditors' report and notes to the financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
BALANCE SHEETS
GOVERNMENTAL FUNDS
MAY 31, 2018**

	MAJOR FUNDS				TOTAL
	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE	DEBT SERVICE	
ASSETS					
Cash and cash equivalents	\$ 5,892,369	\$ -	\$ -	\$ -	\$ 5,892,369
Accounts receivable	21,601	-	-	-	21,601
Tax lien receivable	292,586	-	-	-	292,586
Due from fiduciary	400	-	-	-	400
Restricted cash and cash equivalents	35,572	8,560	694,670	198,579	937,381
Restricted LOSAP plan assets	1,013,888	-	-	-	1,013,888
TOTAL ASSETS	\$ 7,256,416	\$ 8,560	\$ 694,670	\$ 198,579	\$ 8,158,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 390,932	\$ 68,029	\$ -	\$ -	\$ 458,961
TOTAL LIABILITIES	390,932	68,029	-	-	458,961
DEFERRED INFLOWS OF RESOURCES:					
Unearned revenue	292,586	-	-	-	292,586
TOTAL DEFERRED INFLOWS OF RESOURCES	292,586	-	-	-	292,586
FUND BALANCES:					
Restricted					
Workers compensation	5,488	-	-	-	5,488
Unemployment benefits reserve	30,084	-	-	-	30,084
Capital projects	-	8,560	-	-	8,560
Parkland trust	-	-	694,670	-	694,670
Debt service	-	-	-	198,579	198,579
Employee benefits - LOSAP	1,013,888	-	-	-	1,013,888
Assigned					
Appropriated for subsequent year's budget	482,843	-	-	-	482,843
Community benefit	175,073	-	-	-	175,073
Unassigned					
Fund balance	4,865,522	(68,029)	-	-	4,797,493
TOTAL FUND BALANCES	6,572,898	(59,469)	694,670	198,579	7,406,678
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,256,416	\$ 8,560	\$ 694,670	\$ 198,579	\$ 8,158,225

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
MAY 31, 2018

TOTAL GOVERNMENTAL FUND BALANCE	\$ 7,406,678
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AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT FROM THE GOVERNMENTAL FUNDS BECAUSE:

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and do not appear on the balance sheet. However, the government-wide statement of net position includes these capital assets among the assets of the Village as a whole, and their original costs are expensed annually over their estimated useful lives.

Original cost of capital assets	21,712,440	
Accumulated depreciation	<u>(12,076,260)</u>	9,636,180

The Village's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include

Deferred outflows of resources from pensions	827,669	
Net pension liability - proportionate share	(2,001,154)	
Deferred inflows of resources from pensions	<u>(879,359)</u>	(2,052,844)

Bond premiums associated with bond refundings are recognized as a deferred inflow of resources in the government-wide statements	(32,166)
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Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not recorded as a liability in the governmental funds balance sheet.	(69,508)
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Property taxes receivable that will be collected in the future, but are not available within 60 days of year end are deferred in the governmental funds.	292,586
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Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.

Serial bonds payable	(7,261,467)
Accrued vacation	(163,169)
Compensated absences	(158,258)
Claims and judgments	(180,000)
Postemployment benefits other than pensions	<u>(3,548,802)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,850,246</u>
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VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2018

	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE	DEBT SERVICE	TOTAL
REVENUES:					
Real property taxes	\$ 7,462,385	\$ -	\$ -	\$ -	\$ 7,462,385
Non-property tax items	305,542	-	-	-	305,542
Departmental income	612,932	-	-	-	612,932
Use of money and property	265,998	2	6,138	10,528	282,666
License and permits	175,968	-	-	-	175,968
Fines and forfeitures	389,009	-	-	-	389,009
Sale of property and compensation for loss	36,012	-	-	-	36,012
Miscellaneous	48,543	-	532,500	-	581,043
State aid	347,630	-	-	-	347,630
TOTAL REVENUES	9,644,019	2	538,638	10,528	10,193,187
EXPENDITURES:					
General government	1,644,030	-	-	230	1,644,260
Public safety	1,695,238	-	-	-	1,695,238
Health	260,421	-	-	-	260,421
Transportation	1,125,338	688,916	-	-	1,814,254
Culture and recreation	3,509	-	-	-	3,509
Home and community services	1,166,193	-	-	-	1,166,193
Employee benefits	1,858,836	-	-	-	1,858,836
Debt service:					
Principal payments	-	-	-	1,105,866	1,105,866
Interest	-	-	-	239,056	239,056
TOTAL EXPENDITURES	7,753,565	688,916	-	1,345,152	9,787,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,890,454	(688,914)	538,638	(1,334,624)	405,554
OTHER FINANCING SOURCES (USES):					
Transfers in	-	629,122	-	1,336,368	1,965,490
Transfers out	(1,432,990)	-	(532,500)	-	(1,965,490)
TOTAL OTHER FINANCING SOURCES (USES)	(1,432,990)	629,122	(532,500)	1,336,368	-
NET CHANGE IN FUND BALANCES	457,464	(59,792)	6,138	1,744	405,554
FUND BALANCES - BEGINNING (RESTATED)	6,115,434	323	688,532	196,835	7,001,124
FUND BALANCES - ENDING	\$ 6,572,898	\$ (59,469)	\$ 694,670	\$ 198,579	\$ 7,406,678

See independent auditors' report and notes to the financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2018**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ 405,554
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	611,058
Depreciation expense of capital assets is reported in the government-wide statement of activities and changes in net assets and it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(858,087)
Payment of debt principle is an expenditure in the government funds, and the payment reduces long-term liabilities in the statement of net position.	1,105,866
Governmental funds report revenues not collected within 60 days of year end as unearned revenues until subsequently collected. These transactions are recorded as revenues when earned in the statement of activities.	26,315
On the government-wide statement of activities the actual and projected long term expenditures for other postemployment benefits are reported whereas on the governmental funds statement only the actual expenditures are recorded for other postemployment benefits.	(301,990)
Accrued interest payable does not require the use of current financial resources and therefore is not reported as a liability in the governmental funds. The change in the liability is recognized in the governmental activities.	9,618
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the government funds:	
Changes related to bond amorization of premiums and charges	(22,626)
Changes in compensated absences and accrued vacation	6,312
Changes in net pension liability	288,176
Deferred inflows of resources	(691,437)
Deferred outflows of resources	387,378
CHANGE IN NET POSITION ON STATEMENT OF ACTIVITIES	<u>\$ 966,137</u>

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
MAY 31, 2018**

	<u>AGENCY FUNDS</u>
ASSETS:	
Cash and cash equivalents	\$ 285,938
TOTAL ASSETS	<u>\$ 285,938</u>
LIABILITIES:	
Developer and bid deposits	\$ 285,538
Due to general fund	<u>400</u>
TOTAL LIABILITIES	<u>\$ 285,938</u>

See independent auditors' report and notes to the financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies

A. Organization

The Village of Great Neck (the "Village") was incorporated in 1922. The Village operates under a Board of Trustees form of government and provides the following services as authorized by its charter: general government, contracted fire and ambulance services, justice court, roads and highways, building & zoning, and sanitation.

The financial statements of the Village have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies established in GAAP and used by the Village are described below.

B. Financial Reporting Entity

The Village of Great Neck is governed by Village Law and other General Laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as chief executive officer and the Clerk-Treasurer serves as chief fiscal officer.

All governmental activities and function/programs performed for the Village of Great Neck are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting consists of (a) the primary government which is the Village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusions would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

The decision to include a potential component of the Village's reporting entity is based on several criteria set forth in GASB 14, as amended by GASB Statement No. 61, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the Great Neck Housing Authority (the "Authority") is excluded from the Village's reporting entity. The Authority was created in 1980 by act of the New York State Legislature. The governing board of the Authority is appointed by the Mayor with approval of the Board of Trustees. Although the Village may voluntarily, at certain times, provide funds to the Authority, the Village is not responsible for debt or operating deficits of the Authority and they have not been guaranteed by the Village of Great Neck. The Village does not appoint management of the Authority nor does it approve the Authority's budget, contracts or hiring of staff. The Village has no oversight responsibility for funds of the Authority.

C. Basis of Presentation

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the statement of activities, compared with the current financial resource measurement focus of the governmental funds.

Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Village. The effect of interfund activity has been removed from these statements.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three components-net investment in capital assets; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

See independent auditors' report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

1. General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Capital fund is used to account for financial resources to be used for the acquisition or construction of major capital assets.
3. Special revenue fund is used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue fund of the Village includes the Park Land Trust, which is used to account for activities related to improvements and land acquisition for the parks.
4. Debt service fund is used to account for the payment of principal and interest on the Village's debt.

Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income and financial position. All assets and liabilities are included on the statement of fiduciary net position. These activities are not included in the government-wide financial statements because their resources are not available to be used for the benefit of the Village. The Village has the following fiduciary fund: agency funds account for assets held by the Village in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the account and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as expenditures until due.
- c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as expenditures when paid.

E. Budgetary Data

Budgets are adopted annually. All budget amounts provided in this report have been modified where necessary. The Village’s procedures in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before March 31st, the budget officer prepares estimates for each administrative unit.
- b. No later than March 31st, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1st. This tentative budget includes proposed expenditures and the means of financing for the general fund.
- c. No later than April 15th, a public hearing is conducted by the Board of Trustees to obtain comments.
- d. No later than May 1st, the Board of Trustees adopts the budget of the Village of Great Neck.

All modifications of the budget must be approved by the Board of Trustees.

F. Cash, Cash Equivalents and Investments

The Village primarily maintains its cash and investments in individual segregated accounts grouped by fund. All investments with an original maturity of three months or less when purchased are considered cash equivalents. Cash on deposit with financial institutions is collateralized in accordance with state’s statutes.

G. Restricted Service Award Program Investments

Investments of the Fire Service Award Program are Held by RBC Wealth Management in a grantor/rabbi trust account for the Alert Engine, Hook, Ladder and Hose Company No. 1 where the Village is a nonemployer contributing entity that is contractually obligated to make contributions. These assets are primarily invested in fixed income funds and equities which are further measured at fair market value described later in these notes. None of the Village’s investments are subject concentration of credit risk.

H. Receivables

Receivables include amounts due from state and other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned. No allowance for uncollectible accounts has been recorded since it is believed that such allowance would not be material.

I. Prepaid Items

Prepaid items in the fund and government-wide statements represent expenses paid that will benefit the subsequent period.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

J. 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 the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary 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, expenditures and revenues activity is provided subsequently in these notes.

K. Capital Assets

Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life in excess of five years are reported at historical cost or estimated historical cost if the actual historical cost is not available. Contributed assets, if any, are reported at a fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure assets for governmental activities after December 31, 1980, consisting of certain improvements other than buildings, including roads, curbs, sidewalks, drainage system, street lighting and sewer system are capitalized. Depreciation on all assets is provided on the straight-line basis with assumption of zero salvage value over the following estimated useful lives:

Buildings	20-50 years
Improvements other than buildings	20-50 years
Furniture, fixture, machinery and equipment	5-20 years
Infrastructure systems	25-50 years

The Village evaluated 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. As of May 31, 2018, the Village has not recorded any such impairment losses.

L. Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports two items which qualify for reporting in this category:

1. A deferred charge related to refunding bonds.
2. Pension transactions reported in the government-wide statement of net position. This represents the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual investment earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and the Village's contributions to the pension system subsequent to the measurement date.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports two items which qualify for reporting in this category:

1. A bond premium related to refunding bonds.
2. Pension transactions reported in the government-wide statement of net position. This represents changes in proportion and differences between employer contributions and proportionate share of contributions, and differences between expected and actual experience.

M. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has legal claim to them, as when contractual or rental fees are received in advance. In subsequent periods, when both recognition criteria are met, or when the Village has legal claim to the resources, the liability for unearned revenue is removed and revenues are recorded.

N. Compensated Absences

Compensated absences of the Village consists of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Village will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at May 31st by all employees.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by currently adopted Employee Handbook, plus applicable additional salary related payments. Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

O. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term liabilities are liquidated through future budgetary appropriations of the general fund.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due within one year or due in more than one year in the statement of net position.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

Q. Other Benefits

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

In addition to providing pension benefits, the Village provides post-employment health insurance coverage for eligible retired employees. The Village accounts for these postemployment benefits in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. In the government-wide statements, postemployment costs are measured and disclosed using the accrual basis of accounting. The cost of providing these benefits is recorded as an expenditure in the governmental funds in the year paid.

R. Short-Term Debt

The Village may issue bond anticipation notes (BAN's) 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 BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date. No BANs were issued for the fiscal year ended May 31, 2018.

S. Insurance

The Village insures against the liability for most risk including, but not limited to, property damage and personal injury liability. Judgment and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. There are no current judgements or claims pending or outstanding against the Village that would materially impact the financial statements of the Village.

T. Equity Classifications

Government-wide Statements

In the government-wide statements there are three classes of net position.

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

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

Unrestricted net position – reports all other net position that do not meet the definition of "restricted" or "net investment in capital assets", and are deemed to be available for general use by the Village.

Governmental Fund Statements

In the fund statements, governmental fund equity is classified as fund balance and may consist of five classifications under GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Village only utilizes the following four:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

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. Restricted fund balances, including reserves in accordance with New York State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Restricted reserves currently in use by the Village include the following:

Capital Reserve – this reserve is used to pay the costs of capital improvements and is restricted by General Municipal Law to the individual purpose for which bonds were issued or funds have been accumulated.

Workers Compensation Reserve - this reserve may be used to pay compensation and benefits, medical, hospital or other expenses authorized by Article 2 of the Workers' Compensation Law, may be used to pay the expenses of administering a self-insurance program.

Unemployment Insurance Reserve – this reserve is used to reimburse the State Unemployment Insurance Fund for payments made to claimants.

Parkland Trust – the reserve for parkland trust reports funds which are restricted by Village Law Section 7-730 for capital expenditures related to parks, playgrounds and recreational designated areas.

Debt Service Reserve – this reserve is used to pay principal and interest on bonds issued by the Village having a maximum maturity of not less than five years.

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

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, unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available for 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 either budget vote or board approved budget revision and then from the assigned fund balance to the extent that there is an assignment and then from the assigned fund balance.

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

U. Newly Adopted Accounting Principles

Effective June 1, 2017, the Village adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68 (GASB No. 73). The requirements of this statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. The effect of this adoption resulted in the restatement of the prior year fund balances as it relates to the LOSAP pension plan assets, and the accounting and reporting of those assets as discussed in Note 1.V.

Effective June 1, 2017, the Village implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. This Statement replaces GASB Statement No. 43 and expands certain note disclosures and requires certain postemployment benefits to be reported in a government's fiduciary funds. The provisions of this adoption had no effect on the financial statements.

Effective June 1, 2017, the Village implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB No. 14*. This Statement changes how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. Specifically, such component units must be "blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The provisions of this adoption had no material effect on the financial statements.

Effective June 1, 2017, the Village implemented GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Standard requires that governments who are the recipients of resources under such agreements must record the respective assets, liabilities and deferred inflows of their interest in the agreement at the time of inception. The provisions of this adoption had no material effect on the financial statements.

Effective June 1, 2017, the Village implemented GASB Statement No. 82, *Pension Issues –An Amendment of GASB Statements No. 67, No. 68, and No.73*. This Standard clarifies certain issues raised in practice during the application and implementation of the pension standards and enhances consistency by clarifying existing standards. The provisions of this standard had no material effect on the financial statements.

V. Prior Period Adjustment

Prior to the adoption of GASB No. 73, the Village reported assets accumulated for LOSAP benefits plans in the Trust and Agency Fund. In accordance with New York State General Municipal Law, Article 11-A, LOSAP assets are held in grantor/rabbi trusts, which are not protected from the Village's creditors. GASB No. 73 requires assets held in such trust arrangements to be reported as assets of the sponsoring nonemployer municipality in addition to reporting the total pension liability associated with these benefit programs as a cumulative adjustment to the beginning net position. Thus, as a result of the adoption of GASB No. 73, the Village has restated its May 31, 2017 financial statements to reflect the transfer of these assets to the General Fund, (ultimately increasing the beginning fund balance of the General Fund, and the respective amount decreasing the beginning net position of the Trust and Agency fund. In addition, the aforementioned trust assets were also adjusted in the Trust and Agency Fund due to the LOSAP adoption. The cumulative effect of prior period adjustments is detailed below.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

V. Prior Period Adjustment (continued)

	Debit/(Credit) Balance			
	As Originally Stated	Overestimate of Plan Assets	Adoption of GASB No. 73	As Restated
General Fund				
Cash, restricted	\$ -	\$ -	\$ 889,270	\$ 889,270
Investments, restricted	-	-		
Restricted fund balance	35,175	-	889,270	924,445
Total fund balance	5,226,164	-	889,270	6,115,434
Governmental Activities				
Cash, restricted	-	-	889,270	889,270
Investments, restricted	-	-	-	-
Total pension liability for LOSAP	-	-	(1,560,694)	(1,560,694)
Unrestricted net position	1,118,792	-	(671,424)	447,368
Net position	3,555,533	-	(671,424)	2,884,109
Fiduciary Fund - LOSAP				
Service award program assets	2,303,145	(1,413,875)	(889,270)	-
Net position held for pension benefits	\$(2,303,145)	\$ 1,413,875	\$ 889,270	\$ -

Note 2. Budget Basis of Accounting

The Village's Clerk-Treasurer prepares a proposed budget for approval by the Board of Trustees for the general and debt service funds. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. 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 in the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). 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.

Budgets are adopted annually on a basis consistent with GAAP. Budgets are established and used for individual capital project fund expenditures as approved by the Board. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Note 3. Cash, Cash Equivalents and Investments

The Village's investment policies are governed by state statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Village is authorized to use savings or/and demand deposit accounts placed through a depository institution that has a main or branch office in the state and that contractually agrees to place funds in federally insured depository institutions through the Insured Cash Sweep Service ("ICS"). The Village is also authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

See independent auditors' report.

**VILLAGE OF GREAT NECK
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NOTES TO FINANCIAL STATEMENTS
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Note 3. Cash, Cash Equivalents and Investments (continued)

Collateral is required for demand deposits and certificates of deposit at 102% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 102% of the cost of the repurchasing agreement.

Deposits at year-end were entirely covered by federal deposit insurance and/or by collateral held by a custodial bank in the Village's name.

Cash and cash equivalents at May 31, 2018 consisted of the following:

Checking - non interest bearing	\$	1,026,749
Checking - interest bearing		6,068,505
Money market - interest bearing		37,810
		<hr/>
Total balances		7,133,064
		<hr/>
Amount FDIC insured		290,014
Collateral held by Village's custodial banks		775,548
ICS - FDIC Insured		6,067,502
		<hr/>
Total	\$	7,133,064
		<hr/>

Custodial credit risk for deposits exist when, in the event of the failure of a depository financial institution, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

At May 31, 2018 the cash in banks were entirely collateralized by the FDIC insurance, FHLB/LOC or securities held by the bank, in trust or third party, in the name of the Village.

Note 4. Real Property Taxes

Real property taxes are determined no later than May 1st with the adoption of the budget and become a lien on the first day of the levy year, June 1st. Taxes are collected during the period June 1st to July 1st without penalty or interest. Thereafter penalty and interest are imposed pursuant to the Real Property Tax Law. Delinquent taxes not received within 60 days of year-end are recorded as unearned revenues.

VILLAGE OF GREAT NECK
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NOTES TO FINANCIAL STATEMENTS
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Note 5. Interfund Receivables and Payables

The composition of the interfund receivables and payables at May 31, 2018 is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Trust fund	\$ 400
Total - fund financial statements		400
Less: fund eliminations		-
Total interfund balances - government wide statement of net position		<u>\$ 400</u>

This balance is expected to be repaid within one year.

Interfund transfers – A schedule of interfund transfers for the year ended May 31, 2018, are as follows:

<u>Receiving fund</u>	<u>Paying fund</u>	<u>Amount</u>
Debt service fund	General fund	\$ 1,336,368
Capital projects fund	Special revenue fund	532,500
Capital projects fund	General fund	96,622
Total - fund financial statements		<u>\$ 1,965,490</u>

The transfers to the Debt Service and Capital Projects fund were made for the sole purpose of paying down outstanding debt and capital expenditures.

Note 6. Changes in Capital Assets

A summary of capital assets transactions for the year ended May 31, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Addition / Transfers</u>	<u>Retirements / Transfers</u>	<u>Ending Balance</u>
PRIMARY GOVERNMENT:				
Capital assets not being depreciated:				
Land	\$ 111,672	\$ -	\$ -	\$ 111,672
OTHER CAPITAL ASSETS:				
Land improvements	1,190,834	-	-	1,190,834
Firehouse consortium building	1,849,346	-	-	1,849,346
Buildings	776,605	-	-	776,605
Furniture, fixtures, machinery equipment & vehicles	5,794,235	-	(512)	5,793,723
Infrastructure:				
Roads, curbs, and sidewalks	11,378,690	611,570	-	11,990,260
TOTAL OTHER CAPITAL ASSETS	<u>20,989,710</u>	<u>611,570</u>	<u>(512)</u>	<u>21,600,768</u>

See independent auditors' report.

VILLAGE OF GREAT NECK
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NOTES TO FINANCIAL STATEMENTS
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Note 6. Changes in Capital Assets (continued)

	Beginning Balance	Addition / Transfers	Retirements / Transfers	Ending Balance
Less: Accumulated depreciation for:				
Land improvements	(765,394)	(38,036)	-	(803,430)
Firehouse consortium building	(850,700)	(36,987)	-	(887,687)
Buildings	(494,299)	(15,264)	-	(509,563)
Furniture, fixtures, machinery equipment & vehicles	(4,505,800)	(217,979)	-	(4,723,779)
Infrastructure:				
Roads, curbs, and sidewalks	(4,601,980)	(549,821)	-	(5,151,801)
Total Accumulated Depreciation	(11,218,173)	(858,087)	-	(12,076,260)
Other Capital Assets (Net)	9,771,537	(246,517)	(512)	9,524,508
Capital assets (Net)	<u>\$ 9,883,209</u>	<u>\$ (246,517)</u>	<u>\$ (512)</u>	<u>\$ 9,636,180</u>

Depreciation was charged to governmental functions as follows:

General government support	\$ 21,386
Public safety	40,556
Transportation	765,578
Culture and recreation	30,567
Total governmental activities depreciation expense	<u>\$ 858,087</u>

Note 7. Long Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended May 31, 2018.

	Beginning Balance	Increases	Reductions	Ending Balance	Due in one year
General obligation bonds	\$ 8,367,333	\$ -	\$ (1,105,866)	\$ 7,261,467	\$ 1,056,510
Pension liabilities	728,636	1,742,317	(469,799)	2,001,154	-
Postemployment benefits other than pensions	3,246,812	301,990	-	3,548,802	-
Claims and judgments	180,000	-	-	180,000	180,000
Compensated absences	166,273	-	(8,015)	158,258	-
TOTALS	<u>\$ 12,689,054</u>	<u>\$ 2,044,307</u>	<u>\$ (1,583,680)</u>	<u>\$ 13,149,681</u>	<u>\$ 1,236,510</u>

Serial Bonds - The Village borrows money in order to acquire land, equipment, to construct roads and other improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities are full faith and credit debt of the Village. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 7. Long Term Liabilities (continued)

The following is a schedule of general obligation and revenue bonds:

Description	Original Date Issued	Original Amount	Interest Rate (%)	Final Maturity Date	Balance Outstanding
Public Improvements	12/15/1994	\$ 922,000	2.70% - 6.10%	5/15/2023	\$ 180,000
Public Improvements	9/15/2007	1,600,000	3.50% - 4.00%	12/15/2023	548,447
Public Improvements	7/17/2008	1,700,000	3.37% - 4.00%	8/23/2024	820,000
Public Improvements	8/1/2009	1,500,000	2.00% - 3.65%	8/1/2024	805,000
Public Improvements	9/15/2010	1,000,000	2.00% - 3.00%	9/15/2025	595,000
Public Improvements	7/15/2011	1,825,000	2.25% - 3.50%	7/15/2026	1,210,000
Public Improvements	8/1/2012	1,450,000	2.00% - 2.25%	8/1/2027	1,030,000
Public Improvements	7/15/2013	1,700,000	2.50% - 3.63%	7/15/2028	1,320,000
Public Improvements	9/15/2013	\$ 2,240,000	2.00% - 2.50%	9/15/2020	753,020
					<u>\$ 7,261,467</u>

Future principal and interest payments to maturity are as follows:

Year Ending May 31,	General Obligation	
	Principal	Interest
2019	\$ 1,057,760	\$ 209,924
2020	1,086,979	179,735
2021	924,688	150,120
2022	823,906	122,697
2023	848,134	95,194
2024-2028	2,385,000	169,356
Thereafter	135,000	2,447
TOTALS	<u>\$ 7,261,467</u>	<u>\$ 929,473</u>

Other Long-term Liabilities

In addition to the above long term debt, the Village has the following non-current liabilities:

Other Postemployment Benefits – In addition to providing retirement benefits, the Village provides postemployment health insurance coverage for eligible retired employees. Additional information can be found subsequently in these notes.

Compensated Absences – Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts based primarily on length of service. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at varying rates subject to certain maximum limitations.

Net Pension Liability – Proportionate Share - the Village has adopted new accounting guidance that requires it to report as an asset and/or liability its portion of the collective net pension asset and/or liability in the New York State Employees Retirement System. Additional information can be found subsequently in these notes.

See independent auditors' report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
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MAY 31, 2018**

Note 8. Pension Plans

State Wide Local Government Retirement System

Plan Description

The Village of Great Neck participates in the New York State and Local Employees Retirement System (the “System”), which is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (the “NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York (the “Comptroller”) serves as sole trustee and administrative head of the System. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory for employees who joined the New York State and Local Employees’ Retirement System before July 27, 1976. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 (ERS) and before April 1, 2012 are required to contribute 3% of their salary throughout their active membership.

Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, depending upon their salary, throughout their active membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were equal to 100% of the contributions required and were as follows:

2018	\$ 335,240
2017	\$ 340,740
2016	\$ 336,819

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2018, the Village reported a total liability of \$258,837 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. The Village’s proportion of the net pension liability was based on a projection of the Village’s long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided by the NYSRSSL to the Village.

	ERS
Actuarial valuation date	April 1, 2017
Net pension liability	\$ 258,839
Village's portion of the Plan's total net pension liability	0.0080199%

See independent auditors’ report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 8. Pension Plans (continued)

For the year ended May 31, 2018, the Village recognized pension expense of \$380,357. At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences between expected and actual experience	\$ 92,319	\$ 76,289
Changes of assumptions	171,631	-
Net difference between projected and actual investment earnings on pension plan investments	375,942	742,073
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,121	52,333
Total	<u>\$ 687,013</u>	<u>\$ 870,695</u>

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

<u>For the years ended</u>	ERS
2019	\$ 43,979
2020	33,839
2021	(181,017)
2022	(80,482)
2023	-
Thereafter	-
	<u>\$ (183,681)</u>

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions.

	ERS
Investment rate of return	7.00%
Interest rate / COLA	1.3%
Salary scale	3.8%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.5%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

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**VILLAGE OF GREAT NECK
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NOTES TO FINANCIAL STATEMENTS
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Note 8. Pension Plans (continued)

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>
Domestic equity	36.00%
International equity	14.00%
Private equity	10.00%
Real estate	10.00%
Absolute return strategies	2.00%
Opportunistic portfolio	3.00%
Real assets	3.00%
Bonds and mortgages	17.00%
Cash	1.00%
Inflation index bonds	4.00%
	<u>100.00%</u>

The real rate of return is net of the long-term inflation assumption of 2.50%.

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.0%) or 1% point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumptions (7.0%)</u>	<u>1% Increase (8.0%)</u>
Village's proportionate share of the net pension (asset)/ liability	<u>\$ 1,958,442</u>	<u>\$ 258,839</u>	<u>\$ (1,178,958)</u>

See independent auditors' report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
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Note 8. Pension Plans (continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	ERS
	<i>(Dollars in Thousands)</i>
Employers' total pension liability	\$ (183,400,590)
Plan net position	<u>180,173,145</u>
Employers' net pension assets/(liability)	<u>\$ (3,227,445)</u>
Ration of plan net position to the employers' total pension liability	98.24%

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Contributions as of May 31, 2018 represent the projected employer contribution for the period of April 1, 2016 through March 31, 2018 based on estimated ERS wages, multiplied by the employer's contribution rate, by tier.

Length of Service Award Program (LOSAP)

Fire Fighter Length of Service Awards Program - LOSAP

The Village's financial statements are for the year ended May 31, 2018. The information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2017, which is the most recent plan year for which complete information is available.

Program Description

Four municipalities jointly established a defined benefit Service Award Program (referred to as a "LOSAP" - Length of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1996 for the active volunteer firefighter members of the Alert Engine, Hook, Ladder and Hose Company, Inc. The four sponsoring municipalities are the Town of North Hempstead, Village of Great Neck, Village of Kings Point, and Village of Saddle Rock. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The four municipalities jointly sponsor the Program and, through an inter-municipal agreement, have established a Municipal Sponsoring Board to oversee the administration of the Program.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 17 years of age and has earned one year of Service Award Program Service Credit. An active volunteer firefighter earns a year of Service Credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Sponsor on the basis of a statutory list of activities and point values. A Participant may also receive Service Credit for five years of active volunteer firefighting service rendered prior to the establishment of the Program.

Participants acquire a non-forfeitable right to be paid a Service Award after earning five years of Service Credit, becoming totally and permanently disabled, dying while an active volunteer, or upon attaining the Program's Entitlement Age while an active volunteer. The Program's Entitlement Age is age 65 and is the age at which benefits begin to be paid to Participants.

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**VILLAGE OF GREAT NECK
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Note 8. Pension Plans (continued)

Benefits provided

A Participant's Service Award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$20.00 multiplied by the total number of years of Service Credit earned by the Participant. The maximum number of years of Service Credit a Participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned Service Award under the Program.

Except in the case of pre-Entitlement Age death or total and permanent disablement, a Participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who are active after attaining the Entitlement Age and who may have commenced receiving a Service Award have the opportunity to earn Service Credit and, thereby, increase their Service Award payments. The preEntitlement Age death and disability benefit is equal to the actuarial value of the Participant's earned Service Award at the time of death or disablement. If the Participant was an active volunteer firefighter member at the time of death, the minimum death benefit is \$10,000. The Program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the Program Trust Fund.

Fiduciary Investment and Control

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

The four (4) municipalities through the Joint Sponsoring Board have retained McLaughlin & Stern, LLP, 1010 Northern Blvd., Suite #400, Great Neck, NY 11021, as legal counsel to assist to the Board with some of its administrative duties.

The Joint Sponsoring Board has retained Penflex, Inc. to assist in the administration of the Program and has purchased a fiduciary liability insurance policy through the agency BWD Group LLC, with coverage being provided by the Hudson Insurance Company.

Based on the certified calendar year volunteer firefighter listings, Penflex determines and certifies in writing to the Joint Sponsoring Board the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The person(s) authorized by the Joint Sponsoring Board then authorizes, in writing, the custodian of the Alert Engine, Hook & Ladder & Hose Co., No.1, Inc. of Great Neck's LOSAP Trust Funds to pay the service award. No service award benefit payment is made without the written certification from Penflex and the written directive from an authorized representative of the Joint Sponsoring Board.

All administrative and actuarial service fees, as well as insurance premium, are authorized for payment by the Joint Sponsoring Board from the Service Award Program Trust Fund. The Joint Sponsoring Board then reimburses the Trust Fund for all fees and premium paid as part of the annual required contribution.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Joint Sponsoring Board created a Service Award Program Trust Fund through the adoption of the Master Plan and the inter-municipal Agreement, copies of which are available from Stephen Limmer, Esq. The Joint Sponsoring Board is the program's trustee.

Authority to invest the Program asset is vested in the Program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Joint Sponsoring Board.

The Joint Sponsoring Board has retained RBC Wealth management to provide investment management and custodial services and Comerica Bank as paying agent.

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COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018

Note 8. Pension Plans (continued)

Participants Covered by the Benefit Terms

Participants covered by the benefit terms. At the December 31, 2017 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefits	31
Inactive participants entitled to but not yet receiving benefits payments	30
Active participants	91
Total	<u>152</u>

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

Trust Assets – Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of December 31, 2016, with update procedures used to roll forward the total pension liability to December 31, 2017.

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None Assumed
RP-2014 Male Mortality Table without projection	

Discount Rate –The discount rate used to measure the total pension liability was 3.16%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

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

For the year ended May 31, 2018, the Village reported a liability of \$1,742,317 for its proportionate share of the total pension liability, measured as of December 31, 2017. The proportionate share of total pension liability for the year ended May 31, 2017 was \$1,560,694, measured as of December 31, 2016. The Village's proportion of the total pension liability was based on a cost sharing agreement between the Village and the three other sponsoring municipalities. At the December 31, 2017 measurement date, the Village's proportion was 39.71 percent which was unchanged from the proportion as of December 31, 2016.

For the year ended May 31, 2018, the Village recognized pension expense of \$127,905.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 8. Pension Plans (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Service cost	\$	43,566
Interest on total pension liability		58,664
Changes of assumptions or other inputs		13,371
Differences between expected and actual experience		(952)
Changes in proportion		-
Pension plan administrative expenses		13,256
Total pension expense	\$	<u>127,905</u>

At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,664
Changes of assumptions or other inputs	121,674	-
Changes in proportion	-	
Benefit payments & administrative expenses subsequent to the measurement date	18,982	
Total	<u>\$ 140,656</u>	<u>\$ 8,664</u>

\$18,982 was reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended May 31, 2019.

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

<u>Year ended May 31:</u>		
2019	\$	12,419
2020		12,419
2021		12,419
2022		12,419
2023		12,419
Therafter		50,916
	\$	<u>113,011</u>

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

The following presents the total pension liability of the Village as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	<u>\$ 2,032,372</u>	<u>\$ 1,742,317</u>	<u>\$ 1,507,637</u>

For the year ended May 31, 2018, the Village recognized pension expense of \$246,347 and \$155,044 in the general fund and statement of activities, respectively.

See independent auditors' report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 9. Other Post-Employment Benefits - (OPEB)

Plan Description

The Village sponsors a single employer healthcare plan that provides postemployment medical benefits for eligible retirees and their spouses through the New York State Health Insurance Plan (NYSHIP) (the “Plan”). Substantially all of the Village’s employees may become eligible for these benefits if they reach normal retirement age with 10 years of service to the Village. The Village does not issue a publicly available financial report for the plan; however, the financial activities of NYSHIP are included with the financial statements of the State of New York.

Funding Policy

The Plan provides a specified percentage of the retiree health premiums (and, if applicable, the retiree’s spouse’s premium) charged by the insurance carrier is paid by the Village. The Village contributes 100% of the cost of premiums for individual and family coverage for all employees hired prior to April 5, 2011, and 85% of the cost for all covered employees hired after that date. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid.

At this time there is no New York statute providing local governments with the authority for establishing a postemployment benefits trust. Since the Village cannot fund the OPEB liability at this time, the required contribution is based on a projected pay-as-you-go financing requirement. The contribution requirements of Plan members and the Village are established by the Board of Trustees. For the year ended May 31, 2018, the Village recognized a general fund expenditure of \$323,263 for currently enrolled retirees.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated on the annual required contribution of the employer (ARC). The Village has elected to calculate the ARC and related information using the projected unit credit cost method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village’s net OPEB obligation to the retirees:

Annual required contribution	\$ 684,162
Interest on net OPEB obligation	162,341
Adjustment to annual required contribution	<u>(175,391)</u>
Annual OPEB cost (expense)	671,112
Age adjusted contributions made	<u>(369,122)</u>
Change in net OPEB obligation	301,990
Net OPEB obligation - beginning of year	<u>3,246,812</u>
Net OPEB obligation - end of year	<u><u>\$ 3,548,802</u></u>

The Village’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year and two preceding years are as follows:

Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2018	\$ 671,112	\$ 369,122	55.0%	\$ 3,548,802
2017	\$ 672,515	\$ 323,263	48.1%	\$ 3,246,812
2016	\$ 673,963	\$ 313,734	46.6%	\$ 2,897,560

See independent auditors’ report.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 9. Other Post-Employment Benefits - (OPEB) (continued)

Funding Status and Funding Progress

As of May 31, 2015, the last valuation date, the actuarial liability for benefits was \$7,908,889, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,110,495 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 374%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The required schedule of funding progress following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the May 31, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5% discount rate and an annual healthcare cost rate of 9.0% grading down to 4.7% for medical, pharmacy 9.0% grading down to 4.7%, dental 4.0% grading down to 3.0%, and vision steady at 3.0%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at May 31, 2018 was 21 years.

Note 10. Commitments and Contingencies

State Grants

The Village is a recipient of a number of state grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could result in certain disallowances. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as rules and regulation of the respective agency for each grant.

Tax Certiorari

There are presently pending against the Village of Great Neck a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposures in these cases are indeterminable at this time.

Other

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually or in the aggregate, is likely to have a material effect on the financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU – STATE OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018**

Note 11. Subsequent Events

The Village has evaluated events and transactions that occurred through January 3, 2019, which is the date the financial statements were available to issued, for possible disclosure and recognition in the financial statements. No adjustment or disclosure has been made to these financials.

Note 12. Recent Accounting Principles

The GASB has issued the following Statements which will be effective in future years:

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This standard will establish uniform criteria to recognize and measure certain AROs, including those AROs previously reported. The requirements of this standard are effective for the Village beginning after June 15, 2018.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard will enhance the consistency and comparability of fiduciary activity by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this standard are effective for the Village beginning after December 15, 2018.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This standard addressed various practice issues that were noted in the application of practice concerning component units, goodwill, fair value measurement and OPEB benefits. The requirements of this standard are effective for the Village beginning after June 15, 2017.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This standard will improve consistency in accounting and financial reporting for certain debt extinguishments and enhance the decision-usefulness of debt defeasance disclosures. The requirements of this standard are effective for the Village beginning after June 15, 2017.

In June 2017, GASB issued Statement No. 87, *Leases*. This standard will improve consistency in accounting and financial reporting for leases by governments as well as requiring the recognition of certain lease assets and liabilities that were previously classified as operating leases. The requirements of this standard are effective for the Village beginning after December 15, 2019.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard will improve the information disclosed in the notes to the financial statements related to indebtedness and clarifies liabilities that arise from contractual obligations. The requirements of this standard are effective for the Village beginning after June 15, 2018.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This standard will establish accounting requirements for interest cost incurred before the end of a construction period that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this standard are effective for the Village beginning after December 15, 2019.

The Village is currently evaluating the impact of these statements on the financial statements, and does not expect a material impact upon adoption.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS (Unaudited)
FOR THE YEAR ENDED MAY 31, 2018**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/31/2015	\$ -	\$ 7,908,889	\$ 7,908,889	0%	\$ 2,110,495	374.74%
5/31/2012	\$ -	\$ 7,143,502	\$ 7,143,502	0%	\$ 3,262,649	218.95%
5/31/2010	\$ -	\$ 6,337,517	\$ 6,337,517	0%	\$ 2,993,586	211.70%

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL PENSION LIABILITY - LOSAP (unaudited)
LAST ONE FISCAL YEAR

Measurement date as of December 31,	<u>2017</u>
Village's proportion of the total pension liability	39.71%
Village's proportionate share of the total pension liability	\$ 1,742,317

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Notes to Required Supplementary Information

Changes of assumptions or other inputs: The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016	3.71%
December 31, 2017	3.16%

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) / LIABILITY (Unaudited)
MAY 31 2018

NYSLRS Pension Plan	2018	2017	2016
Village's proportion of the net pension liability	0.0080199%	0.0077546%	0.0085217%
Village's proportionate share of the net pension liability	\$ 258,839	\$ 728,636	\$ 1,367,758
Village's covered-employee payroll	\$ 2,344,294	\$ 2,196,626	\$ 2,318,793
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.04%	33.17%	58.99%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.68%

See independent auditors' report and notes to the financial reports

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF VILLAGE'S CONTRIBUTIONS (Unaudited)
FOR THE YEARS ENDED MAY 31,**

NYSLRS Pension Plan (ERS)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 335,240	\$ 340,740	\$ 336,819	\$ 472,468	\$ 429,205	\$ 380,485	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>335,240</u>	<u>340,740</u>	<u>336,819</u>	<u>472,468</u>	<u>429,205</u>	<u>\$ 380,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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-employee payroll	\$ 2,344,294	\$ 2,196,626	\$ 2,318,793	\$ 2,897,555	\$ 2,973,562	\$ 2,751,639	\$ -	\$ -	\$ -	\$ -
percentage of covered-employee payroll	14.3%	15.5%	14.5%	16.3%	14.4%	13.8%	0.0%	0.0%	0.0%	0.0%

See independent auditors' report and notes to the financial statements

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
BUDGETARY COMPARISON SCHEDULE (unaudited)
FOR THE YEAR ENDED MAY 31, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES:				
Real property tax items	\$ 7,485,658	\$ 7,485,658	\$ 7,462,385	\$ (23,273)
Non-property tax items	260,000	260,000	305,542	45,542
Departmental income	428,300	428,300	612,932	184,632
Use of money and property	127,808	127,808	265,998	138,190
License and permits	123,600	123,600	175,968	52,368
Fines and forfeitures	500,100	500,100	389,009	(111,091)
Sale of property and compensation for loss	11,300	11,300	36,012	24,712
Miscellaneous	9,000	9,000	48,543	39,543
State aid	306,200	306,200	347,630	41,430
TOTAL REVENUES	9,251,966	9,251,966	9,644,019	392,053
EXPENDITURES:				
General government	1,992,000	1,992,000	1,644,030	347,970
Public safety	1,815,800	1,815,800	1,695,238	120,562
Health	275,050	275,050	260,421	14,629
Transportation	1,143,400	1,143,400	1,125,338	18,062
Economic opportunity and development	5,500	5,500	-	5,500
Culture and recreation	4,000	4,000	3,509	491
Home and community services	1,193,350	1,193,350	1,166,193	27,157
Employee benefits	2,023,075	2,023,075	1,858,836	164,239
TOTAL EXPENDITURES	8,452,175	8,452,175	7,753,565	698,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	799,791	799,791	1,890,454	1,090,663
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,339,019)	(1,339,019)	(1,432,990)	(93,971)
TOTAL OTHER FINANCING SOURCES	(1,339,019)	(1,339,019)	(1,432,990)	(93,971)
APPROPRIATED RESERVES:				
Appropriated reserves	539,228	539,228	-	(539,228)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	457,464	\$ 457,464
FUND BALANCE - BEGINNING (RESTATED)			6,115,434	
FUND BALANCE - ENDING			\$ 6,572,898	

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES:				
Real Property Tax Items				
Real property taxes	\$ 7,305,677	\$ 7,305,677	\$ 7,233,404	\$ (72,273)
Real property taxes - prior year	20,000	20,000	60,665	40,665
Payments in lieu of taxes	129,981	129,981	129,063	(918)
Penalties and interest on taxes	30,000	30,000	39,253	9,253
Total Real Property Tax Items	7,485,658	7,485,658	7,462,385	(23,273)
Non-Property Tax Items				
Utility fees	260,000	260,000	305,542	45,542
Total Non-Property Tax Items	260,000	260,000	305,542	45,542
Departmental Income				
Clerk fees	5,700	5,700	3,046	(2,654)
Safety inspection fees	401,000	401,000	583,054	182,054
Public works charges	800	800	5,095	4,295
Zoning fees	20,800	20,800	21,737	937
Total Departmental Income	428,300	428,300	612,932	184,632
Use of Money and Property:				
Interest and earnings	30,000	30,000	168,190	138,190
Rental of real property	97,808	97,808	97,808	-
Total Use of Money and Property	127,808	127,808	265,998	138,190
Licenses and Permits:				
Business and other	123,600	123,600	175,968	52,368
Total Licenses and Permits	\$ 123,600	\$ 123,600	\$ 175,968	\$ 52,368

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES: continued				
Fines and Forfeitures:				
Fines and forfeiture	\$ 500,100	\$ 500,100	\$ 389,009	\$ (111,091)
Total Fines and Forfeitures	500,100	500,100	389,009	(111,091)
Sales of Property and Compensation for Loss:				
Sales of equipment and other losses	11,300	11,300	36,012	24,712
Total Sales of Property and Compensation for Loss	11,300	11,300	36,012	24,712
Miscellaneous:				
Refunds and other unclassified revenues	9,000	9,000	48,543	39,543
Total Miscellaneous	9,000	9,000	48,543	39,543
State Aid:				
Revenue sharing (per capita)	71,200	71,200	71,187	(13)
Mortgage tax	160,000	160,000	252,678	92,678
Other general	-	-	23,765	23,765
Highway aid (CHIPS)	75,000	75,000	-	(75,000)
Total State Aid	306,200	306,200	347,630	41,430
TOTAL REVENUES	\$ 9,251,966	\$ 9,251,966	\$ 9,644,019	\$ 392,053

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FINAL BUDGET
EXPENDITURES:				
General Government Support:				
Board of Trustees	\$ 49,300	\$ 49,300	\$ 111,314	\$ (62,014)
Justice Court	343,850	343,850	260,456	83,394
Mayor	13,750	13,750	10,000	3,750
Auditor	27,500	27,500	25,500	2,000
Clerk-Treasurer	431,300	431,300	441,550	(10,250)
Assessment	42,000	42,000	41,719	281
Tax advertising and expense	1,000	1,000	838	162
Law	157,500	157,500	157,921	(421)
Engineer	25,000	25,000	7,396	17,604
Election	8,200	8,200	6,680	1,520
Records management	34,000	34,000	110	33,890
Buildings	86,000	86,000	89,682	(3,682)
Central garage	139,600	139,600	160,244	(20,644)
Mail	19,000	19,000	10,644	8,356
Data processing	20,500	20,500	29,972	(9,472)
Insurance	190,000	190,000	183,850	6,150
Judgments and claims	180,000	180,000	29,228	150,772
Taxes	55,500	55,500	60,989	(5,489)
Contingencies	150,000	150,000	-	150,000
Other general expenses	18,000	18,000	15,937	2,063
Total General Government Support	\$ 1,992,000	\$ 1,992,000	\$ 1,644,030	\$ 347,970

See independent auditors' report and notes to the financial statements.

**VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2018**

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
EXPENDITURES: continued				
Public Safety:				
Fire contract	\$ 1,360,000	\$ 1,360,000	\$ 1,235,399	\$ 124,601
Safety inspection	446,800	446,800	440,045	6,755
Other public safety	9,000	9,000	19,794	(10,794)
Total Public Safety	1,815,800	1,815,800	1,695,238	120,562
Health:				
Ambulance contract	275,050	275,050	260,421	14,629
Total Health	275,050	275,050	260,421	14,629
Transportation:				
Street administration	237,100	237,100	251,297	(14,197)
Street construction	20,000	20,000	45,531	(25,531)
Street maintenance	713,600	713,600	674,933	38,667
Snow removal	87,600	87,600	92,461	(4,861)
Street lighting	75,000	75,000	52,899	22,101
Off-street parking	10,100	10,100	8,217	1,883
Total Transportation	1,143,400	1,143,400	1,125,338	18,062
Economic Assistance and Opportunity:				
Community relations	5,500	5,500	-	5,500
Total Economic Assistance and Opportunity	\$ 5,500	\$ 5,500	\$ -	\$ 5,500

See independent auditors' report and notes to the financial statements.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
EXPENDITURES: continued				
Culture and Recreation:				
Public events	\$ 2,000	\$ 2,000	\$ 3,509	\$ (1,509)
Park	2,000	2,000	-	2,000
Total Culture and Recreation	4,000	4,000	3,509	491
Home and Community Services:				
General environment	6,400	6,400	10,124	(3,724)
Refuse and garbage	1,127,100	1,127,100	1,093,029	34,071
Other	23,750	23,750	28,949	(5,199)
Street cleaning	36,100	36,100	30,115	5,985
Total Home and Community Services	1,193,350	1,193,350	1,166,193	27,157
Employee Benefits:				
State retirement	380,000	380,000	380,357	(357)
Social security	198,000	198,000	174,119	23,881
Workers' compensation	220,000	220,000	205,128	14,872
Disability insurance	15,000	15,000	25,567	(10,567)
Hospital, medical and dental insurance	1,210,075	1,210,075	1,073,665	136,410
Total Employee Benefits	2,023,075	2,023,075	1,858,836	164,239
Total Expenditures	8,452,175	8,452,175	7,753,565	698,610
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	799,791	799,791	1,890,454	1,090,663
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(1,339,019)	(1,339,019)	(1,432,990)	(93,971)
Total Other Financing Sources (Uses)	(1,339,019)	(1,339,019)	(1,432,990)	(93,971)
APPROPRIATED RESERVES:				
Appropriated reserves	539,228	539,228	-	(539,228)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	457,464	\$ 457,464
FUND BALANCE - BEGINNING (RESTATED)			6,115,434	
FUND BALANCE - ENDING			\$ 6,572,898	

See independent auditors' report and notes to the financial statements.