

Glen Cove City School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Glen Cove City School District, New York

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Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Glen Cove City School District, New York ("School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School District, as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 13, 2023

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Glen Cove City School District, New York

Management's Discussion and Analysis June 30, 2023

The following is a discussion and analysis of the Glen Cove City School District's ("School District") financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the district-wide and fund-level financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year 2022-2023 are as follows:

- In the district-wide financial statements, revenues increased by 7.0% to \$112,215,614 and expenses also increased by 9.4% to \$109,733,389 resulting in an increase in net position of \$2,482,225 for the year ended June 30, 2023.
- The School District's General Fund reflected an increase in fund balance of \$664,028.
- The amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,319,975 or 4.00%. The School District is currently within this limit.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$97,963,363, an increase of \$2,482,225 for the year ended June 30, 2023. The district-wide financial statements must report certain items in accordance with the pronouncements of the Governmental Accounting Standards Board ("GASB"). The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. One of the most significant of the standards, GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", requires the School District to recognize the financial impact associated with other postemployment benefit ("OPEB") liabilities. These liabilities include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. This standard requires the School District to report the *total*, rather than *net*, OPEB liability related to its employees, since New York State has not authorized the establishment of an irrevocable trust to set aside assets for this purpose. The prior standard under the provisions of GASB Statement No. 45 allowed for the amortization of prior service costs over a thirty year period. As a result of the provisions of GASB Statement No. 75, the School District's *total* OPEB liability as of June 30, 2023 is \$143,743,673, compared to \$140,473,089 in the prior year. The OPEB liability is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3E in the notes to financial statements.

- The district-wide financial statements for the year ended June 30, 2023 are also significantly impacted by the provisions of GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions.*” This pronouncement established accounting and financial reporting requirements associated with the School District’s participation in the cost sharing multiple employer defined benefit pension plans administered by the New York State and Local Employees’ Retirement System (“ERS”) and the New York State Teachers’ Retirement System (“TRS”). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2023, the School District reported in its Statement of Net Position a liability for its proportionate share of the ERS net pension asset of \$4,769,754 and \$4,236,476 for its proportionate share of the TRS net pension liability. More detailed information about the School District’s pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3E in the notes to financial statements.
- The School District continued to offer all programs, without reducing services, while maintaining adequate fund balances.

Overview of the Financial Statements

This annual report consists of management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the School District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District’s operations in *more detail* than the District-wide statements.
- The *governmental fund financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary fund financial statements* provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others. The School District utilizes the Custodial Fund to account for real property taxes collected for other governments.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1: Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District collects real property taxes for other governments.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities and Changes in Net Position 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or are available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
 - The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference 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 School District is improving or deteriorating.
 - The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
 - The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, other, interest and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section, as the first two pages of the basic financial statements.

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 School District, 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 School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains five individual governmental funds; General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund and Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, the School District reported in its Custodial Fund, real property taxes collected for other governments.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$97,963,363) at the close of the current fiscal year.

Net Position

	June 30,	
	2023	2022
Current Assets	\$ 60,787,654	\$ 46,974,455
Net Pension Asset	-	39,075,856
Capital Assets, net	15,053,065	12,492,133
Total Assets	75,840,719	98,542,444
Deferred Outflows of Resources		
Pension related	25,839,438	24,950,802
OPEB related	23,186,180	30,182,797
Total Deferred Outflows of Resources	49,025,618	55,133,599
Current Liabilities	10,151,508	9,204,293
Long-term Liabilities	168,836,494	150,551,634
Total Liabilities	178,988,002	159,755,927
Deferred Inflows of Resources		
Pension related	2,489,729	47,571,980
OPEB related	41,351,969	46,793,724
Total Deferred Inflows of Resources	43,841,698	94,365,704
Net Position		
Net Investment in capital assets	12,236,799	11,036,696
Restricted		
Future Capital Projects	9,027,203	8,880,982
Capital Projects	18,413,596	859,858
Tax Certiorari	4,918,952	3,008,137
Workers Compensation Benefits	3,956,842	3,746,676
Unemployment Benefits	449,717	344,190
ERS Retirement System Contributions	4,085,960	3,037,187
TRS Retirement System Contributions	3,710,249	2,881,746
Special Purposes		
Extraclassroom activities	107,664	94,987
Other	29,515	25,174
Unrestricted	(154,899,860)	(134,361,221)
Total Net Position	\$ (97,963,363)	\$ (100,445,588)

Current assets increased by \$13,813,199 from the prior year. Cash and equivalents increased by \$5,718,892 primarily from operating results of the General Fund. In addition, the School District entered into an energy performance contract debt agreement in June 2023 to finance the cost of installing energy savings equipment. Since the funds were not all drawn down and held in escrow, restricted cash increased by \$6,224,358. The net pension asset for ERS and TRS decreased by \$39,075,856 (and became liabilities) due to investment losses of the retirement systems for their plan fiscal years ended March 31, 2023 for ERS and June 30, 2022 for TRS.

Long-term liabilities, which consist of general obligation bonds, installment purchase debt, energy performance contract debt, claims payable, compensated absences, net pension and OPEB liabilities, increased by \$3,270,3584 from the previous year. The OPEB liability decreased by \$32,158,718 primarily due to a decrease in the discount rate. The ERS and TRS net pension assets reported in the prior year became net pension liabilities in the current year, as noted above, due to investment losses by the pension systems, thus increasing long-term liabilities by \$18,284,860.

A large component of the School District's net position, \$12,236,799, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$44,699,698 of net position and are comprised of amounts restricted for specific purposes. The remaining balance represents an unrestricted net deficit of (\$154,899,860). This deficit results mainly from the accrual of the School District's Other Post Employment Benefit Obligations ("OPEB"). These obligations include any benefits provided to retirees, other than a pension, including health insurance as discussed in detail in Note 3E in the notes to financial statements.

Changes in Net Position

	Year Ended June 30,	
	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 340,753	\$ 518,829
Operating Grants and Contributions	7,465,309	6,939,899
Capital Grants and Contributions	1,502,228	-
Total Program Revenues	9,308,290	7,458,728
General Revenues		
Real Property Taxes	69,646,884	68,056,251
Other Tax Items	8,678,891	9,542,423
Non-property taxes	1,604,420	1,583,275
Unrestricted Use of Money and Property	39,870	6,268
Sale of Property and Compensation for Loss	376,871	1,091,144
Unrestricted State Aid	21,230,273	16,587,964
Miscellaneous	1,330,115	544,691
Total General Revenues	102,907,324	97,412,016
Total Revenues	112,215,614	104,870,744
PROGRAM EXPENSES		
General Support	13,497,955	14,180,779
Instruction	87,645,169	78,144,058
Pupil Transportation	6,024,236	5,806,153
Community Services	14,924	10,251
Cost of Food Sales	2,162,907	1,868,859
Other	272,111	234,586
Interest	116,087	45,092
Total Expenses	109,733,389	100,289,778
Change in Net Position	2,482,225	4,580,966
NET POSITION		
Beginning	(100,445,588)	(105,026,554)
Ending	\$ (97,963,363)	\$ (100,445,588)

The following are the major changes in Net Position:

Revenues

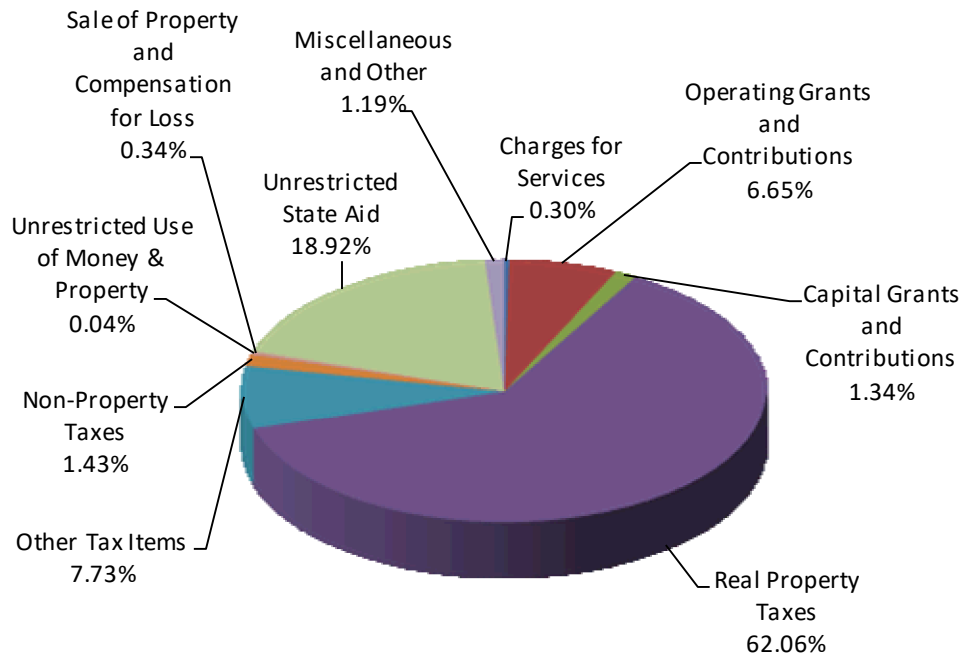
- The School District's fiscal year 2023 revenues totaled \$112,215,614. Property and other tax items and State sources accounted for most of the School District's revenue representing 69.8% and 18.9%, respectively. The remainder came from charges for services, operating grants, use of money and property, sale of property and compensation for loss and miscellaneous.
- Real property taxes increased by \$1,590,633 or 2.3%. The current property tax increase is attributed to projected increased expenses related to instruction, employee benefits and transportation. It is also a result of the continuing decrease in the School Tax Relief Reimbursement Program ("STAR") (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the STAR program. The STAR program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the NYS law, this revenue decreased by \$257,882 during the 2022-2023 fiscal year and has decreased in the past five years shifting this burden from the state to the taxpayers.
- State aid revenues increased approximately \$4.70 million due to the increase in the state aid basic formula.

Expenses

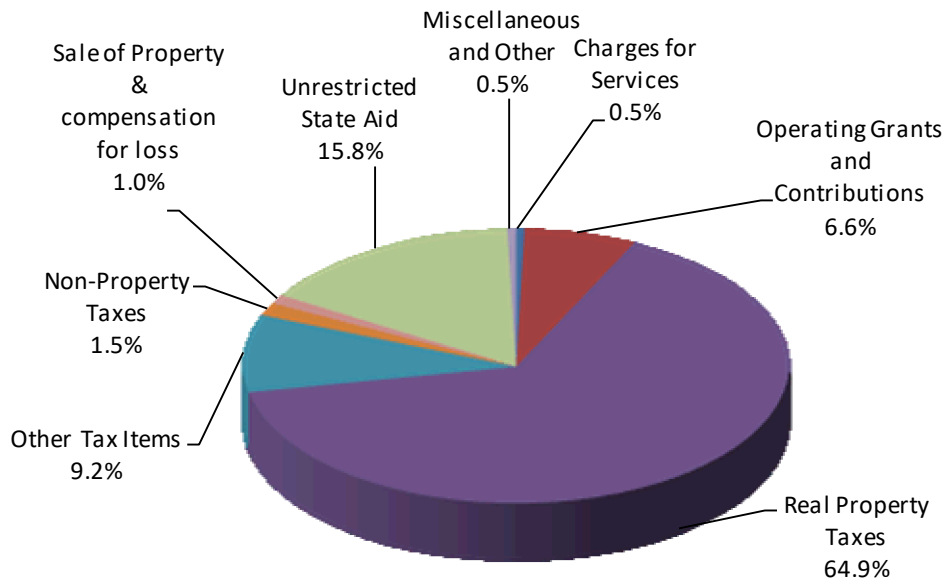
- The School District's fiscal year 2023 expenses totaled \$109,733,389. These expenses are predominantly related to instruction and transporting students (85.4%). The School District's administrative and business activities accounted for 12.3% of total costs.
- Instruction program expenses in the aggregate increased by \$9,501,111 or 12.2% from the prior year. This is primarily the result of the increase in the TRS net pension liability (recorded as an asset in the prior year) and an increase in the OPEB liability.
- Pupil transportation expenditures increased by \$218,083 or 3.8% because of new contract prices and the resumption of activities post pandemic.
- Cost of food sales increased by \$294,048 or 15.7% because of increased sales as the lunch program returned to more normal levels of operations post pandemic.

As indicated on the graphs that follow, the School District relies upon real property taxes as its primary revenue source for Government Activities. The School District's instruction costs account for approximately 79.9% of its expenses.

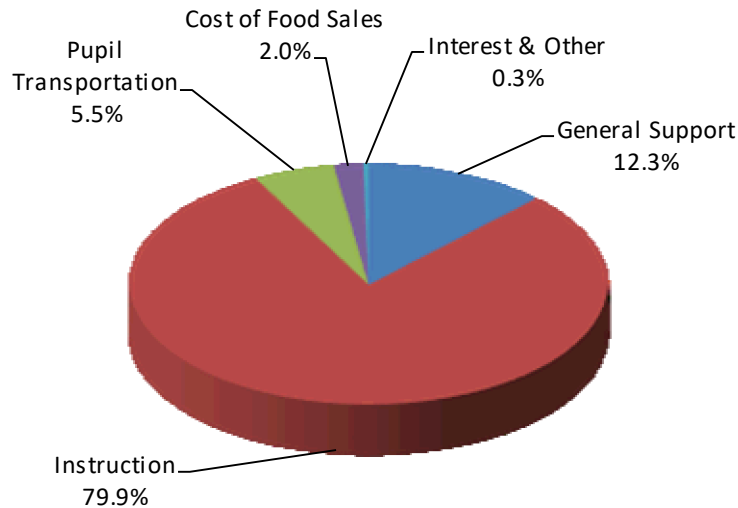
Sources of Revenue for Fiscal Year 2023 Governmental Activities



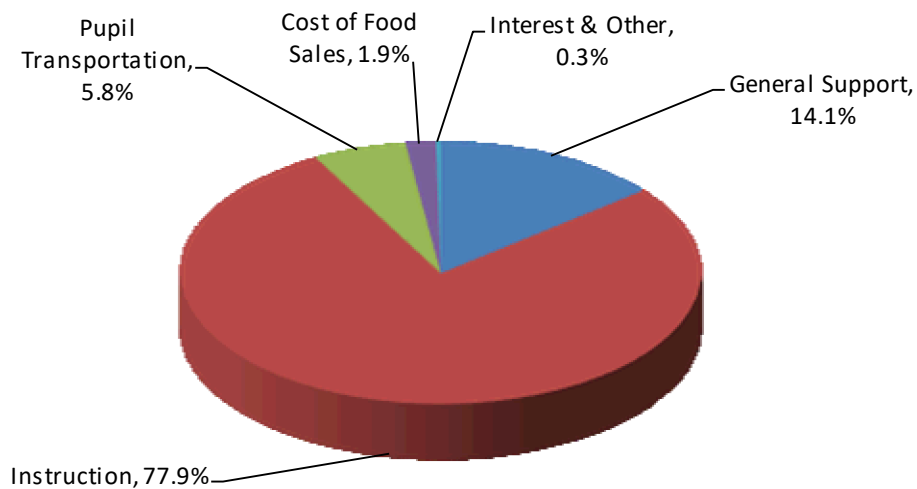
Sources of Revenue for Fiscal Year 2022 Governmental Activities



Expenses for Fiscal Year 2023 Governmental Activities



Expenses for Fiscal Year 2022 Governmental Activities



Financial Analysis of the School District's Funds

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$48,038,317, an increase of \$10,942,637 from the prior year. This increase is a result of increased tax collections, increased state aid and reduced operating expenditures, particularly in central services, continuing to result from the pandemic. The \$48,038,317 fund balance consists of the following:

Nonspendable	\$ 12,930
Restricted	42,719,524
Assigned	985,888
Unassigned	4,319,975

The definitions of the types of items included in each of these categories are included in Note 1 to the financial statements. A detailed chart of each of the individual amounts in each category is included in Note 3H in the notes to financial statements.

General Fund Budgetary Highlights

The original, voter approved adopted budget of \$101,942,671 was increased by \$1,389,154 as a result of the rollover of prior year encumbrances for a total original budget of \$103,331,825. The budget was further revised during the 2022-2023 fiscal year by a total of \$8,117,525 from the appropriation of fund balance for emergency expenditures relating to tropical storm IDA and the transfer to the Capital Projects Fund per voter approval. As a result, the final budget totaled \$111,449,350.

Revenue Highlights include:

- Increase in taxes due to increased tax levy and decrease in STAR
- Decrease in STAR reimbursement revenue due to changes in NYS Law
- State aid exceeded the budgeted amount by \$476,794 due to significant collections from prior years
- Increase in non-property tax distribution from County due to fiscal recovery post pandemic

Expenditure Highlights include:

- The expenditure savings occurred as a result of favorable salary breakage across all functional areas, combined with lower than expected increases in the health insurance premiums which resulted in lower than expected employee benefit costs and savings realized by curtailing discretionary spending in all functional areas. Expenditures under budget were realized in General Support (\$2,257,031), Instruction (\$1,759,878) and Employee Benefits (\$1,607,371).

At the end of the current fiscal year, the total fund balance of the General Fund was \$37,394,759, of which \$4,319,975 was unassigned, representing 4.0% of the ensuing year's budget. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to

4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. The School District was within the statutory limit.

Capital Assets and Debt Administration

Capital Assets

By the end of 2023, the School District had invested \$15,053,065 net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative offices. The change in capital assets, net of accumulated depreciation, is delineated below and provides comparative balances from the prior year.

Class	June 30, 2023	June 30, 2022
Land	\$ 239,225	\$ 239,225
Construction-in-Progress	3,810,482	232,470
Land Improvements	699,795	807,480
Buildings and Improvements	9,694,786	10,598,084
Machinery and Equipment	608,777	614,874
Total Capital Assets, net of accumulated depreciation	<u>\$ 15,053,065</u>	<u>\$ 12,492,133</u>

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30, 2023	June 30, 2022
General Obligation Bonds Payable	\$ 750,000	\$ 1,000,000
Installment Purchase Debt Payable	588,960	455,437
Energy Performance Contract Debt Payable	6,220,238	-
Claims Payable	917,814	1,428,882
Compensated Absences	7,609,579	7,194,226
Net Pension Liability (ERS and TRS)	9,006,230	-
Other Post Employment Benefit Liability Payable	143,743,673	140,473,089
	<u>\$ 168,836,494</u>	<u>\$ 150,551,634</u>

During the 2022-2023 fiscal year, the School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. As noted earlier, the increase was due to an decrease in the discount rate compared to the previous year. The School District is permitted by New York State only to fund its pay-as-you-go obligations for OPEB.

More detailed information about the School District's long-term liabilities is presented in Note 3E in the notes to financial statements.

Factors Bearing on the Future of District

At the time these financial statements were prepared and audited, the School District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The voters of the School District approved the 2023-2024 budget for \$107,999,370. The School District plans on the use of \$750,000 of reserves for next year's budget.
- The national economy continues to have a negative impact on virtually every municipal budget. A result could be that State aid to the School District could be negatively impacted in amount and/or timing.
- Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the School District was required to adopt a contingent budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index. Although there are exceptions, exemptions and overrides to the limitation, the new Law is expected to make budgetary decisions more difficult.
- Significant increases in the cost of health insurance and contributions to the retirement systems continue to place a greater burden on the School District's finances. Contributions to the State Retirement Systems are one of the exemptions to the "Tax Levy Limitation Law".
- The School District is currently the only one in both Nassau and Suffolk Counties which must pay tax certiorari judgments directly to the taxpayers. In all other school districts, they are paid by the County. This is an unanticipated annual expenditure which places significant financial burden on the budget.

Contacting the District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Glen Cove City School District
District Offices
Attn: Assistant Superintendent for Business
Dosoris Lane
Glen Cove, New York 11542
(516) 801-7030

Glen Cove City School District, New York

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 46,015,594
Restricted cash	6,224,358
Receivables	
Taxes	1,540,594
Accounts	7,381
State and Federal aid	5,629,976
Due from other governments	1,356,821
Inventories	12,930
Capital assets	
Not being depreciated	4,049,707
Being depreciated, net	11,003,358
Total Assets	<u>75,840,719</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	25,839,438
OPEB related	23,186,180
Total Deferred Outflows of Resources	<u>49,025,618</u>
LIABILITIES	
Accounts payable	3,427,123
Accrued liabilities	452,920
Due to other governments	559,896
Due to retirement systems	4,900,001
Employee payroll deductions	108,778
Unearned revenues	641,559
Accrued interest payable	61,231
Non-current liabilities	
Due within one year	1,968,959
Due in more than one year	166,867,535
Total Liabilities	<u>178,988,002</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,489,729
OPEB related	41,351,969
Total Deferred Inflows of Resources	<u>43,841,698</u>
NET POSITION	
Net investment in capital assets	12,236,799
Restricted	
Future Capital projects	9,027,203
Capital projects	18,413,596
Tax certiorari	4,918,952
Workers' compensation benefits	3,956,842
Unemployment benefits	449,717
ERS retirement system contributions	4,085,960
TRS retirement system contributions	3,710,249
Special purposes	
Extraclassroom activities	107,664
Other	29,515
Unrestricted	(154,899,860)
Total Net Position	<u>\$ (97,963,363)</u>

The notes to financial statements are an integral part of this statement.

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Glen Cove City School District, New York

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 13,497,955	\$ 25,153	\$ 492,598	\$ -	\$ (12,980,204)
Instruction	87,645,169	113,536	4,999,278	1,502,228	(81,030,127)
Pupil transportation	6,024,236	-	-	-	(6,024,236)
Community services	14,924	9,744	-	-	(5,180)
Cost of food sales	2,162,907	192,320	1,684,304	-	(286,283)
Other	272,111	-	289,129	-	17,018
Interest	116,087	-	-	-	(116,087)
Total Governmental Activities	\$ 109,733,389	\$ 340,753	\$ 7,465,309	\$ 1,502,228	(100,425,099)
General revenues					
Real property taxes					69,646,884
Other tax items					
School tax relief reimbursement					3,755,983
Payments in lieu of taxes					4,647,423
Interest and penalties on real property taxes					275,485
Non-property taxes					
Non-property tax distribution from County					1,604,420
Unrestricted use of money and property					39,870
Sale of property and compensation for loss					376,871
Unrestricted State aid					21,230,273
Miscellaneous					1,330,115
Total General Revenues					102,907,324
Change in Net Position					2,482,225
Net Position - Beginning					(100,445,588)
Net Position - Ending					\$ (97,963,363)

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 45,742,075	\$ 37,953	\$ 194
Restricted cash	-	-	6,224,358
Receivables			
Taxes	1,540,594	-	-
Accounts	5,403	-	-
State and Federal aid	1,349,612	2,171,077	2,002,228
Due from other governments	1,306,821	-	50,000
Due from other funds	1,625,424	-	5,644,088
Inventories	-	-	-
Total Assets	<u>\$ 51,569,929</u>	<u>\$ 2,209,030</u>	<u>\$ 13,920,868</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,817,299	\$ 76,213	\$ 1,510,307
Accrued liabilities	447,765	5,152	-
Due to other governments	559,855	-	-
Due to other funds	5,644,088	1,526,658	-
Due to retirement systems	4,900,001	-	-
Employee payroll deductions	108,778	-	-
Unearned revenues	40,552	601,007	-
Total Liabilities	13,518,338	2,209,030	1,510,307
Deferred inflows of resources			
Unavailable revenues - Miscellaneous - State and Federal aid	656,832	-	2,002,228
Total Liabilities and Deferred Inflows of Resources	<u>14,175,170</u>	<u>2,209,030</u>	<u>3,512,535</u>
Fund balances			
Nonspendable	-	-	-
Restricted	32,174,012	-	10,408,333
Assigned	900,772	-	-
Unassigned	4,319,975	-	-
Total Fund Balances	<u>37,394,759</u>	<u>-</u>	<u>10,408,333</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,569,929</u>	<u>\$ 2,209,030</u>	<u>\$ 13,920,868</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 235,372	\$ 46,015,594
-	6,224,358
-	1,540,594
1,978	7,381
107,059	5,629,976
-	1,356,821
-	7,269,512
12,930	12,930
<u>\$ 357,339</u>	<u>\$ 68,057,166</u>

\$ 23,304	\$ 3,427,123
3	452,920
41	559,896
98,766	7,269,512
-	4,900,001
-	108,778
-	641,559
122,114	17,359,789

-	2,659,060
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122,114	20,018,849
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12,930	12,930
137,179	42,719,524
85,116	985,888
-	4,319,975

235,225	48,038,317
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<u>\$ 357,339</u>	<u>\$ 68,057,166</u>
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Glen Cove City School District, New YorkReconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balances - Total Governmental Funds	<u>\$ 48,038,317</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	4,049,707
Capital assets - depreciable	36,719,362
Accumulated depreciation	<u>(25,716,004)</u>
	<u>15,053,065</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	25,839,438
Deferred outflows - OPEB related	23,186,180
Deferred inflows - pension related	(2,489,729)
Deferred inflows - OPEB related	<u>(41,351,969)</u>
	<u>5,183,920</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Miscellaneous unavailable General, Capital Projects funds State and Federal aid revenues	<u>2,659,060</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(61,231)
General obligation bonds payable	(750,000)
Installment purchase debt payable	(588,960)
Energy performance contract debt payable	(6,220,238)
Claims payable	(917,814)
Compensated absences	(7,609,579)
Net pension liability - ERS	(4,769,754)
Net pension liability - TRS	(4,236,476)
Net OPEB liability	<u>(143,743,673)</u>
	<u>(168,897,725)</u>
Net Position of Governmental Activities	<u><u>\$ (97,963,363)</u></u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 69,646,884	\$ -	\$ -
Other tax items	8,678,891	-	-
Non-property taxes	1,604,420	-	-
Charges for services	123,280	-	-
Use of money and property	557,621	-	-
Sale of property and compensation for loss	376,871	-	-
State aid	21,615,076	1,140,394	50,000
Federal aid	282,062	2,664,460	-
Miscellaneous	1,325,995	-	4,120
Total Revenues	104,211,100	3,804,854	54,120
EXPENDITURES			
Current			
General support	9,798,501	-	-
Instruction	57,934,353	3,993,989	-
Pupil transportation	5,698,123	303,252	-
Community services	14,811	-	-
Employee benefits	21,263,934	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	433,788	-	-
Interest	59,647	-	-
Capital outlay	-	-	3,895,323
Total Expenditures	95,203,157	4,297,241	3,895,323
Excess (Deficiency) of Revenues Over Expenditures	9,007,943	(492,387)	(3,841,203)
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	317,311
Energy performance contract debt issued	-	-	6,220,238
Transfers in	798,472	492,387	8,500,000
Transfers out	(9,142,387)	-	(798,472)
Total Other Financing Sources (Uses)	(8,343,915)	492,387	14,239,077
Net Change in Fund Balances	664,028	-	10,397,874
FUND BALANCES			
Beginning of Year	36,730,731	-	10,459
End of Year	\$ 37,394,759	\$ -	\$ 10,408,333

The notes to financial statements are an integral part of this statement.

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 69,646,884
-	8,678,891
-	1,604,420
-	123,280
469	558,090
-	376,871
30,755	22,836,225
1,653,420	4,599,942
481,109	1,811,224
<u>2,165,753</u>	<u>110,235,827</u>
-	9,798,501
-	61,928,342
-	6,001,375
-	14,811
-	21,263,934
2,162,907	2,162,907
272,111	272,111
-	433,788
-	59,647
-	3,895,323
<u>2,435,018</u>	<u>105,830,739</u>
<u>(269,265)</u>	<u>4,405,088</u>
-	317,311
-	6,220,238
150,000	9,940,859
-	(9,940,859)
<u>150,000</u>	<u>6,537,549</u>
(119,265)	10,942,637
<u>354,490</u>	<u>37,095,680</u>
<u>\$ 235,225</u>	<u>\$ 48,038,317</u>

Glen Cove City School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 10,942,637
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	3,761,394
Depreciation expense	<u>(1,200,462)</u>
	<u>2,560,932</u>
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State and Federal aid revenues	<u>1,979,787</u>
 Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Installment purchase debt issued	(317,311)
Energy performance contract debt issued	(6,220,238)
Principal paid on general obligation bonds	250,000
Principal paid on installment purchase debt	<u>183,788</u>
	<u>(6,103,761)</u>
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(56,440)
Claims	511,068
Compensated absences	(415,353)
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,111,199)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(4,825,446)</u>
	<u>(6,897,370)</u>
 Change in Net Position of Governmental Activities	 <u><u>\$ 2,482,225</u></u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 69,646,884	\$ 69,646,884	\$ 69,646,884	\$ -
Other tax items	8,409,505	8,409,505	8,678,891	269,386
Non-property taxes	1,000,000	1,000,000	1,604,420	604,420
Charges for services	157,500	157,500	123,280	(34,220)
Use of money and property	48,000	48,000	557,621	509,621
Sale of property and compensation for loss	-	-	376,871	376,871
State aid	21,138,282	21,138,282	21,615,076	476,794
Federal aid	157,500	157,500	282,062	124,562
Miscellaneous	60,000	60,000	1,325,995	1,265,995
Total Revenues	100,617,671	100,617,671	104,211,100	3,593,429
EXPENDITURES				
Current				
General support	11,854,818	12,710,994	9,798,501	2,912,493
Instruction	60,272,738	59,939,541	57,934,353	2,005,188
Pupil transportation	5,870,001	5,750,925	5,698,123	52,802
Community services	20,150	20,150	14,811	5,339
Employee benefits	22,871,305	22,871,305	21,263,934	1,607,371
Debt service				
Principal	700,000	883,788	433,788	450,000
Interest	242,813	269,647	59,647	210,000
Total Expenditures	101,831,825	102,446,350	95,203,157	7,243,193
Excess (Deficiency) of Rev- enues Over Expenditures	(1,214,154)	(1,828,679)	9,007,943	10,836,622
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	798,472	798,472
Transfers out	(1,500,000)	(9,000,000)	(9,142,387)	(142,387)
Total Other Financing Uses	(1,500,000)	(9,000,000)	(8,343,915)	656,085
Net Change in Fund Balances	(2,714,154)	(10,828,679)	664,028	11,492,707
FUND BALANCES				
Beginning of Year	2,714,154	10,828,679	36,730,731	25,902,052
End of Year	\$ -	\$ -	\$ 37,394,759	\$ 37,394,759

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Custodial Fund
ASSETS	
Cash and equivalents	\$ 61,956
Due from other funds	174,054
Total Assets	<u>\$ 236,010</u>
LIABILITIES	
Due to other governments	<u>\$ 236,010</u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 3,287,960
DEDUCTIONS	
Payments of real property taxes to other governments	<u>3,287,960</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

The notes to financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Glen Cove City School District, New York ("School District"), operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Nassau County Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. There is no authority or process by which a school district can terminate its status as a BOCES component. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Nassau County BOCES, 71 Clinton Road, Garden City, New York 11530.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or

Note 1 - Summary of Significant Accounting Policies (Continued)

assigned to expenditure for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day

Note 1 - Summary of Significant Accounting Policies (Continued)

availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Restricted Cash - Restricted cash in the Capital Projects Fund consist of unspent proceeds held by an escrow agent pursuant to the School District's energy performance contract.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a

Note 1 - Summary of Significant Accounting Policies (Continued)

formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, 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 by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st. Taxes are collected during the period August 1 to June 30. The City of Glen Cove, New York ("City") is responsible for the billing and collection of the taxes. The City guarantees the full payment of the School District warrant and assumes responsibility for the uncollected taxes. The taxes receivable amount of \$1,540,594 was paid subsequently in July and August 2023.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	30-50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$40,552 in the General Fund for miscellaneous revenues collected in advance and \$601,007 in the Special Aid Fund for State and Federal Aid received in advance.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported \$656,832 for State and Federal emergency management agency revenues in the General Fund, and \$2,002,228 for unavailable State and Federal revenues in the Capital Projects Fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB Statement No. 68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for future capital projects, capital projects, tax certiorari, workers compensation benefits, unemployment benefits, ERS and TRS retirement contributions, and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business Administration for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 13, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch and Special Purpose funds since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount to 4% of the ensuing year's budget. The School District is within this statutory limit.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgements, including tax certiorari refund payments.

D. Capital Projects Fund Project Deficits and Expenditures in Excess of Budget

The deficits in the Science Lab, High School and Middle School Rigging, District-Wide Security, Middle School Boilers, High School Boiler Room Expansion Tanks, Deasy Air Handling Unit, 2023 Bond and Storm IDA Mitigation and Repairs capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

The District-Wide Security and the High School Boiler Room Expansion Tanks capital projects exceeded their budgetary appropriations by \$27,871 and \$39,710, respectively.

E. Expenditures in Excess of Budget

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund	
Transfers out:	
School Lunch Fund	\$120,946
Special Aid Fund	21,441

F. New Accounting Pronouncement

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at June 30, 2023 consisted of the following:

Current Year Taxes	<u>\$ 1,540,594</u>
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B. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2023 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,625,424	\$ 5,644,088
Special Aid	-	1,526,658
Capital Projects	5,644,088	-
Non-Major Governmental	-	98,766
	<u>\$ 7,269,512</u>	<u>\$ 7,269,512</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the School District's capital assets are as follows:

<u>Class</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital Assets, not being depreciated:				
Land	\$ 239,225	\$ -	\$ -	\$ 239,225
Construction-in-Progress	232,470	3,578,012	-	3,810,482
Total Capital Assets, not being depreciated	<u>\$ 471,695</u>	<u>\$ 3,578,012</u>	<u>\$ -</u>	<u>\$ 4,049,707</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 2,550,564	\$ -	\$ -	\$ 2,550,564
Buildings and Improvements	32,057,149	-	-	32,057,149
Machinery and Equipment	2,003,042	183,382	74,775	2,111,649
Total Capital Assets, being depreciated	<u>36,610,755</u>	<u>183,382</u>	<u>74,775</u>	<u>36,719,362</u>
Less Accumulated Depreciation for:				
Land Improvements	1,743,084	107,685	-	1,850,769
Buildings and Improvements	21,459,065	903,298	-	22,362,363
Machinery and Equipment	1,388,168	189,479	74,775	1,502,872
Total Accumulated Depreciation	<u>24,590,317</u>	<u>1,200,462</u>	<u>74,775</u>	<u>25,716,004</u>
Total Capital Assets, being Depreciated, net	<u>\$ 12,020,438</u>	<u>\$ (1,017,080)</u>	<u>\$ -</u>	<u>\$ 11,003,358</u>
Capital Assets, net	<u>\$ 12,492,133</u>	<u>\$ 2,560,932</u>	<u>\$ -</u>	<u>\$ 15,053,065</u>

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to School District functions and programs as follows:

General Support	\$ 482,760
Instruction	<u>717,702</u>
Total Depreciation Expense	<u>\$ 1,200,462</u>

D. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	<u>\$ 447,765</u>	<u>\$ 5,152</u>	<u>\$ 3</u>	<u>\$ 452,920</u>

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
General Obligation Bonds Payable	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 750,000</u>	<u>\$ 250,000</u>
Installment Purchase Debt Payable	<u>455,437</u>	<u>317,311</u>	<u>183,788</u>	<u>588,960</u>	<u>191,074</u>
Energy Performance Contract Debt Payable	<u>-</u>	<u>6,220,238</u>	<u>-</u>	<u>6,220,238</u>	<u>298,532</u>
Other Non-current Liabilities:					
Claims Payable	1,428,882	427,170	938,238	917,814	468,353
Compensated Absences	7,194,226	1,134,353	719,000	7,609,579	761,000
Net Pension Liability - ERS	-	4,769,754	-	4,769,754	-
Net Pension Liability - TRS	-	4,236,476	-	4,236,476	-
Other Postemployment Benefit Benefit Liability	<u>140,473,089</u>	<u>7,838,170</u>	<u>4,567,586</u>	<u>143,743,673</u>	<u>-</u>
Total Other Non-current Liabilities	<u>149,096,197</u>	<u>18,405,923</u>	<u>6,224,824</u>	<u>161,277,296</u>	<u>1,229,353</u>
Total Long-Term Liabilities	<u>\$ 150,551,634</u>	<u>\$ 24,943,472</u>	<u>\$ 6,658,612</u>	<u>\$ 168,836,494</u>	<u>\$ 1,968,959</u>

The School District's indebtedness for general obligation bonds, installment purchase debt, energy performance contract debt, claims, compensated absences, net pension liabilities and other postemployment benefit liabilities is satisfied by the General Fund.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2023 is comprised of the following individual issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2023</u>
District-wide Improvements	2010	\$ 3,456,250	May 2026	3.0 - 3.375 %	<u>\$ 750,000</u>

Interest expenditures of \$32,813 were recorded in the fund financial statements in the General Fund. Interest expense of \$31,836 was recorded in the district-wide financial statements.

Installment Purchase Debt Payable

In 2022, the School District entered into a lease agreement for the acquisition of certain computer equipment. The terms of the agreement provide for the repayment of the principal amount of \$455,437 in monthly installments, including interest at 3.89%. The balance due at June 30, 2023 is \$348,123.

In 2023, the School District entered into a lease agreement for the acquisition of certain computer equipment. The terms of the agreement provide for the repayment of the principal amount of \$317,311 in monthly installments, including interest at 3.90%. The balance due at June 30, 2023 is \$240,837.

Interest expenditures of \$26,834 were recorded in the fund financial statements in the General Fund. Interest expense of \$27,141 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District has entered into an agreement to finance the cost of installing energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the agreement provide for repayment in annual installments, through 2039, including interest at a rate of 3.39%. The balance due at June 30, 2023 was \$6,220,238. Interest expense of \$57,110 was recorded in the district-wide financial statements.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)**Payments to Maturity**

The annual requirements to amortize all outstanding bonded, installment purchase debt and energy performance contract debt as of June 30, 2023 including interest payments of \$1,975,925 are as follows:

Year Ending June 30,	General Obligation Bonds		Installment Purchase Debt	
	Principal	Interest	Principal	Interest
2024	\$ 250,000	\$ 25,000	\$ 191,074	\$ 19,548
2025	250,000	16,875	198,650	11,973
2026	250,000	8,438	199,236	4,097
2027	-	-	-	-
2028	-	-	-	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039	-	-	-	-
	<u>\$ 750,000</u>	<u>\$ 50,313</u>	<u>\$ 588,960</u>	<u>\$ 35,618</u>

Year Ending June 30,	Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest
2024	\$ 298,532	\$ 208,357	\$ 739,606	\$ 252,905
2025	308,738	198,151	757,388	226,999
2026	319,293	187,596	768,529	200,131
2027	330,209	176,681	330,209	176,681
2028	341,498	165,392	341,498	165,392
2029-2033	1,890,803	643,645	1,890,803	643,645
2034-2038	2,236,877	297,569	2,236,877	297,569
2039	494,288	12,603	494,288	12,603
	<u>\$ 6,220,238</u>	<u>\$ 1,889,994</u>	<u>\$ 7,559,198</u>	<u>\$ 1,975,925</u>

The above general obligation bonds are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Note 3 - Detailed Notes on All Funds (Continued)**Claims Payable**

The district-wide financial statement reflects workers' compensation benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of unpaid claim liabilities is as follows:

	<u>2023</u>	<u>2022</u>
Unpaid Claims - Beginning of Year	\$ 308,530	\$ 405,736
Incurred Claims including IBNR's	427,170	264,512
Claims Paid	<u>(306,749)</u>	<u>(361,718)</u>
Unpaid Claims - End of Year	<u>\$ 428,951</u>	<u>\$ 308,530</u>
Due within One Year	<u>\$ 43,000</u>	<u>\$ 31,000</u>

This amount has been recorded as an expense and liability in the district-wide financial statements. Claims payable also includes a liability of \$488,863 for court ordered tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the district-wide financial statements. The portion of tax certiorari due and payable within one year is \$468,353.

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate certain employees for accumulated sick leave. For these employees to receive reimbursement, they must be eligible for retirement, and must give notice pursuant to contract provisions. Clerical, custodial employees and administrators are granted vacation in varying amounts, based primarily on length of service and service position. These benefits may be forfeited if not taken within the varying time periods. The value of the compensated absences is calculated based on pay rates in effect at year-end and has been reflected in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2023 and TRS plan year ended June 30, 2023 are as follows:

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75G	16.8 %
	3 A14	13.1
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 4,769,754	\$ 4,236,476
School District's proportion of the net pension liability	0.0222428 %	0.220777 %
Change in proportion since the prior measurement date	0.0015833 %	0.005029 %

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized pension expense in the district-wide financial statements of \$7,149,507 (\$1,770,693 for ERS and \$5,378,814 for TRS). Pension expenditures for ERS of \$902,922 were reported in the fund financial statements and were charged to the General Fund. Pension expenditures for TRS of \$4,135,386 were recorded in the fund financial statements in the General Fund.

At June 30, 2023, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 508,016	\$ 133,953	\$ 4,439,290	\$ 84,892
Changes of assumptions	2,316,500	25,602	8,218,046	1,706,572
Net difference between projected and actual earnings on pension plan investments	-	28,022	5,473,928	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	293,521	70,676	185,594	440,012
School District contributions subsequent to the measurement date	269,170	-	4,135,373	-
	<u>\$ 3,387,207</u>	<u>\$ 258,253</u>	<u>\$ 22,452,231</u>	<u>\$ 2,231,476</u>

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,947,306	\$ 218,845
Changes of assumptions	10,534,546	1,732,174
Net difference between projected and actual earnings on pension plan investments	5,473,928	28,022
Changes in proportion and differences between School District contributions and proportionate share of contributions	479,115	510,688
School District contributions subsequent to the measurement date	4,404,543	-
	<u>\$ 25,839,438</u>	<u>\$ 2,489,729</u>

\$269,170 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$4,135,373 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2023	\$ -	\$ 3,148,426
2024	706,119	1,615,581
2025	(200,302)	(761,297)
2026	1,021,480	10,722,621
2027	1,332,487	1,323,756
Thereafter	-	36,295
	<u>\$ 2,859,784</u>	<u>\$ 16,085,382</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.5 %
International Equity	15	6.85	16	7.2
Private Equity	10	7.50	8	9.9
Real Estate	9	4.60	11	6.2
Domestic Fixed Income Securities	-	-	16	1.1
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	3.3
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.3
Real Estate Debt	-	-	6	2.4
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	(0.3)
	<u>100 %</u>		<u>100 %</u>	

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those 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.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 11,526,450</u>	<u>\$ 4,769,754</u>	<u>\$ (876,251)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 39,062,291</u>	<u>\$ 4,236,476</u>	<u>\$ (25,051,807)</u>

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	<u>211,183,223,000</u>	<u>131,964,582,107</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>	<u>\$ 1,918,891,690</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>98.57%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 based on

Note 3 - Detailed Notes on All Funds (Continued)

paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2023 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2023 were \$269,170 to ERS and \$4,630,831 to TRS, inclusive of \$495,458 of employee contributions.

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending upon salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in the program.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	320
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	<u>644</u>
	<u><u>965</u></u>

The School District's total OPEB liability of \$143,743,673 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	3.65%
Healthcare cost trend rates	6.0% for 2023, decreasing 0.5% per year to an ultimate rate of 5.00% for 2026 and later years
Retirees' share of benefit-related costs	Varies from 5% to 65% depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the Society of Actuaries Mortality Projection Scale MP-2021.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 140,473,089
Service cost	5,274,160
Interest	5,079,309
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,515,299)
Benefit payments	(4,567,586)
Total OPEB Liability - End of Year	<u>\$ 143,743,673</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 169,235,328</u>	<u>\$ 143,743,673</u>	<u>\$ 123,582,518</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.0% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.0% decreasing to 5.00%)	1% Increase (7.0% decreasing to 6.00%)
Total OPEB Liability	<u>\$ 120,130,110</u>	<u>\$ 143,743,673</u>	<u>\$ 174,718,461</u>

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2023, the School District recognized OPEB expense of \$9,393,032 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 23,152,454	\$ 33,116,052
Differences between expected and actual experience	33,726	8,235,917
	<u>\$ 23,186,180</u>	<u>\$ 41,351,969</u>

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

Year Ended June 30,	
2024	\$ (960,437)
2025	(960,437)
2026	(960,437)
2027	(4,399,928)
2028	(5,961,495)
Thereafter	<u>(4,923,055)</u>
	<u>\$ (18,165,789)</u>

F. Revenues and Expenditures**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In			Governmental Funds	Total
	General Fund	Special Aid Fund	Capital Projects Fund		
General Fund	\$ -	\$ 492,387	\$ 8,500,000	\$ 150,000	\$ 9,142,387
Capital Projects Fund	798,472	-	-	-	798,472
	<u>\$ 798,472</u>	<u>\$ 492,387</u>	<u>\$ 8,500,000</u>	<u>\$ 150,000</u>	<u>\$ 9,940,859</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects fund expenditures and 2) move unexpended Capital Projects Fund balances to the General Fund that originally provided the funding.

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used for future capital projects.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for ERS Retirement System Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2023				2022			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 12,930	\$ 12,930	\$ -	\$ -	\$ 13,669	\$ 13,669
Restricted:								
Tax certiorari	4,368,952	-	-	4,368,952	3,253,489	-	-	3,253,489
Tax certiorari - for subsequent year's expenditures	550,000	-	-	550,000	875,000	-	-	875,000
Workers' compensation benefits	3,756,842	-	-	3,756,842	3,546,676	-	-	3,546,676
Workers' compensation benefits - for subsequent year's expenditures	200,000	-	-	200,000	200,000	-	-	200,000
Employee benefit accrued liability	6,025,089	-	-	6,025,089	4,941,717	-	-	4,941,717
Employee benefit accrued liability - for subsequent year's expenditures	-	-	-	-	250,000	-	-	250,000
Unemployment benefits	449,717	-	-	449,717	344,190	-	-	344,190
ERS retirement system contributions	4,085,960	-	-	4,085,960	3,037,187	-	-	3,037,187
TRS retirement system contributions	3,710,249	-	-	3,710,249	2,881,746	-	-	2,881,746
Future Capital projects	9,027,203	-	-	9,027,203	11,345,018	-	-	11,345,018
Capital projects	-	10,408,333	-	10,408,333	-	10,459	-	10,459
Special purposes - extraclassroom activities	-	-	107,664	107,664	-	-	94,987	94,987
Special purposes - other	-	-	29,515	29,515	-	-	25,174	25,174
Total Restricted	32,174,012	10,408,333	137,179	42,719,524	30,675,023	10,459	120,161	30,805,643
Assigned:								
Purchases on order:								
General government support	655,462	-	-	655,462	1,336,670	-	-	1,336,670
Instruction	245,310	-	-	245,310	52,484	-	-	52,484
	900,772	-	-	900,772	1,389,154	-	-	1,389,154
Assigned for Hurricane IDA expenditures	-	-	-	-	592,453	-	-	592,453
School Lunch Fund	-	-	85,116	85,116	-	-	220,660	220,660
Total Assigned	900,772	-	85,116	985,888	1,981,607	-	220,660	2,202,267
Unassigned	4,319,975	-	-	4,319,975	4,074,101	-	-	4,074,101
Total Fund Balances	\$ 37,394,759	\$ 10,408,333	\$ 235,225	\$ 48,038,317	\$ 36,730,731	\$ 10,459	\$ 354,490	\$ 37,095,680

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-r of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2023, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The School District, in common with other School District's, receives numerous notices of claims for monetary damages arising from property damage or personal injury. Of all the claims currently pending, none are expected to have a material effect on the School District's financial position if adversely affected.

A lawsuit has been commenced against the School District under the Child Victim's Act. The plaintiff alleges instances of sexual assault by a former School District employee. The final and potential impact, if any, on the School District cannot be presently determined at this time and no provision for loss has been included in the financial statements.

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

B. Risk Management

The School District is exposed to various risks of loss. The School District purchases various insurance coverages from independent third parties to reduce its exposure to loss. In addition to other coverages, the School District maintains commercial general liability insurance coverage with policy limits of \$1 million per occurrence. The School District also maintains school board legal and employment practices liability coverage for school board members and employees up to \$1 million per claim and \$3 million in the aggregate and an excess catastrophe liability policy (umbrella) with a limit of \$15 million per occurrence/claim. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District participates in the New York Schools Insurance Reciprocal ("NYSIR"), a not-for-profit municipally owned insurance company, for its School District property and liability insurance coverage. NYSIR is a New York State licensed and filed insurance company that exclusively insures its member New York public school districts and BOCES'. The School District has essentially transferred its property and liability risk to the reciprocal pool.

The School District has established a self-insured plan for risks associated with workers' compensation claims. The workers' compensation claims are covered up to statutory limits. Insurance coverage has been secured for losses in excess of \$650,000 up to statutory limits. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include provisions for claims reported and claims incurred but not reported.

Note 5 - Tax Abatement

The School District has real property tax abatement agreements with the City of Glen Cove ("City") and the County of Nassau Industrial Development Agency ("IDA"), established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 922.

Copies of the agreements may be obtained from the School District. Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2023 is as follows:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
11/1/2001	Avalon I	\$ 49,323,500	\$ 4.01	\$ 1,977,872	\$ 1,209,349	\$ 768,523
8/17/2011	88-90 Hazel St	9,265,000	4.01	371,527	379,325	(7,798)
12/20/2011	Fair Housing	19,992,000	4.01	801,679	43,602	758,077
12/27/2013	Movie Theatre	2,428,500	4.01	97,383	46,332	51,051
4/19/2016	The Regency	8,103,000	4.01	324,930	287,569	37,361
12/1/2016	Samuel Pierce Apartments	6,107,000	4.01	244,891	39,608	205,283
1/1/2017	Garview Point	290,865,632	4.01	11,663,712	1,328,327	10,335,385
12/1/2017	50 Glen Street	2,575,000	4.01	103,258	72,808	30,450
1/1/2019	Village Square	18,900,000	4.01	757,890	65,049	692,841
				<u>\$ 16,343,142</u>	<u>\$ 3,471,969</u>	<u>\$ 12,871,173</u>

Note 5 - Tax Abatement (Continued)

The School District also received a PILOT payment in the amount of \$1,175,454 from the City related to the Long Island Power Authority. This PILOT is not considered a tax abatement as the purpose of this agreement was not to abate taxes.

Note 6 - Subsequent Event

The School District, on September 14, 2023, issued a \$7,715,000 bond anticipation note. The matures on June 27, 2024 and bears interest at 4.25% per annum.

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Glen Cove City School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1) (2)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 5,274,160	\$ 7,775,441	\$ 6,185,271	\$ 3,882,402	\$ 4,307,806	\$ 4,436,118
Interest	5,079,309	3,781,168	3,740,682	4,764,455	4,564,330	4,241,500
Differences between expected and actual experience	-	(2,244,447)	(136,770)	(14,225,354)	(142,206)	62,106
Changes in assumptions or other inputs	(2,515,299)	(37,524,644)	1,621,577	49,269,711	(5,409,208)	-
Benefit payments	(4,567,586)	(3,946,236)	(3,690,473)	(3,634,761)	(3,774,635)	(3,754,667)
Net Change in Total OPEB Liability	3,270,584	(32,158,718)	7,720,287	40,056,453	(453,913)	4,985,057
Total OPEB Liability – Beginning of Year	140,473,089	172,631,807	164,911,520	124,855,067	125,308,980	120,323,923 (3)
Total OPEB Liability – End of Year	<u>\$ 143,743,673</u>	<u>\$ 140,473,089</u>	<u>\$ 172,631,807</u>	<u>\$ 164,911,520</u>	<u>\$ 124,855,067</u>	<u>\$ 125,308,980</u>
School District's covered-employee payroll	<u>\$ 45,378,745</u>	<u>\$ 44,271,947</u>	<u>\$ 41,024,579</u>	<u>\$ 40,014,189</u>	<u>\$ 40,487,744</u>	<u>\$ 39,308,489</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>317%</u>	<u>317%</u>	<u>421%</u>	<u>412%</u>	<u>308%</u>	<u>319%</u>
Discount Rate	<u>3.65%</u>	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.87%</u>	<u>3.87%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report.

Glen Cove City School District, New York

Required Supplementary Information - Schedule of the
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)									
	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.220777%</u>	<u>0.215748%</u>	<u>0.212736%</u>	<u>0.214532%</u>	<u>0.211353%</u>	<u>0.215753%</u>	<u>0.217187%</u>	<u>0.218589%</u>	<u>0.221498%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 4,236,476</u>	<u>\$ (37,387,024)</u>	<u>\$ 5,878,458</u>	<u>\$ (5,573,543)</u>	<u>\$ (3,821,825)</u>	<u>\$ (1,639,938)</u>	<u>\$ 2,326,168</u>	<u>\$ (22,704,389)</u>	<u>\$ (24,673,535)</u>
School District's covered payroll	<u>\$ 39,108,786</u>	<u>\$ 38,074,877</u>	<u>\$ 36,107,957</u>	<u>\$ 35,809,765</u>	<u>\$ 34,959,034</u>	<u>\$ 34,187,065</u>	<u>\$ 34,406,892</u>	<u>\$ 32,834,973</u>	<u>\$ 32,506,623</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>10.83%</u>	<u>(98.19)%</u>	<u>16.28%</u>	<u>(15.56)%</u>	<u>(10.93)%</u>	<u>(4.80)%</u>	<u>6.76%</u>	<u>(69.15)%</u>	<u>(75.90)%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>98.57%</u>	<u>113.20%</u>	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>
Schedule of Contributions									
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 4,135,373</u>	<u>\$ 3,832,661</u>	<u>\$ 3,488,068</u>	<u>\$ 3,199,165</u>	<u>\$ 3,802,997</u>	<u>\$ 3,425,985</u>	<u>\$ 4,006,724</u>	<u>\$ 4,562,354</u>	<u>\$ 5,755,971</u>
Contributions in relation to the contractually required contribution	<u>(4,135,373)</u>	<u>(3,832,661)</u>	<u>(3,488,068)</u>	<u>(3,199,165)</u>	<u>(3,802,997)</u>	<u>(3,425,985)</u>	<u>(4,006,724)</u>	<u>(4,562,354)</u>	<u>(5,755,971)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 41,473,085</u>	<u>\$ 39,108,786</u>	<u>\$ 38,074,877</u>	<u>\$ 36,107,957</u>	<u>\$ 35,809,765</u>	<u>\$ 34,959,034</u>	<u>\$ 34,187,065</u>	<u>\$ 34,406,892</u>	<u>\$ 32,834,973</u>
Contributions as a percentage of covered payroll	<u>9.97%</u>	<u>9.80%</u>	<u>9.16%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Glen Cove City School District, New York

Required Supplementary Information - Schedule of the
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.0222428%	0.0206595%	0.0210178%	0.0221311%	0.0213287%	0.0212100%	0.0221864%	0.0230197%	0.0242949%
School District's proportionate share of the net pension liability (asset)	\$ 4,769,754	\$ (1,688,832)	\$ 20,928	\$ 5,860,439	\$ 1,511,207	\$ 684,543	\$ 2,084,687	\$ 3,694,725	\$ 820,741
School District's covered payroll	\$ 8,127,420	\$ 7,412,507	\$ 6,568,484	\$ 7,073,232	\$ 6,738,774	\$ 6,382,384	\$ 6,181,669	\$ 6,155,611	\$ 6,221,449
School District's proportionate share of the net pension liability as a percentage of its covered payroll	58.69%	(22.78)%	0.32%	82.85%	22.43%	10.73%	33.72%	60.02%	13.19%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 822,633	\$ 1,033,992	\$ 1,009,724	\$ 959,081	\$ 922,715	\$ 963,650	\$ 929,770	\$ 1,031,048	\$ 1,343,082
Contributions in relation to the contractually required contribution	(822,633)	(1,033,992)	(1,009,724)	(959,081)	(922,715)	(963,650)	(929,770)	(1,031,048)	(1,343,082)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 8,048,258	\$ 7,497,032	\$ 7,031,779	\$ 7,061,306	\$ 6,810,526	\$ 6,473,741	\$ 6,237,893	\$ 6,107,293	\$ 6,179,303
Contributions as a percentage of covered payroll	10.22%	13.79%	14.36%	13.58%	13.55%	14.89%	14.91%	16.88%	21.74%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Glen Cove City School District, New York

General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 69,646,884	\$ 69,646,884	\$ 69,646,884	\$	\$ -
Other tax items	8,409,505	8,409,505	8,678,891		269,386
Non-property taxes	1,000,000	1,000,000	1,604,420		604,420
Charges for services	157,500	157,500	123,280		(34,220)
Use of money and property	48,000	48,000	557,621		509,621
Sale of property and compensation for loss	-	-	376,871		376,871
State aid	21,138,282	21,138,282	21,615,076		476,794
Federal aid	157,500	157,500	282,062		124,562
Miscellaneous	60,000	60,000	1,325,995		1,265,995
Total Revenues	100,617,671	100,617,671	104,211,100		3,593,429
EXPENDITURES					
Current					
General support					
Board of education	105,863	141,837	124,650	-	17,187
Central administration	363,397	419,376	416,754	-	2,622
Finance	933,901	1,011,298	920,447	50,310	40,541
Staff	762,839	824,619	745,698	14,844	64,077
Central services	7,941,495	8,547,955	6,105,773	590,308	1,851,874
Special items	1,747,323	1,765,909	1,485,179	-	280,730
Total General Support	11,854,818	12,710,994	9,798,501	655,462	2,257,031
Instruction					
Instruction, administration and improvement	4,689,578	4,613,291	4,364,836	-	248,455
Teaching - Regular school	29,369,727	28,860,397	28,431,087	7,246	422,064
Programs for students with disabilities	18,171,827	18,466,827	17,949,220	-	517,607
Occupational education	750,000	950,627	923,395	-	27,232
Teaching - Special schools	257,250	248,837	227,462	-	21,375
Instructional media	2,532,622	2,296,070	1,983,441	154,038	158,591
Pupil services	4,501,734	4,503,492	4,054,912	84,026	364,554
Total Instruction	60,272,738	59,939,541	57,934,353	245,310	1,759,878
Pupil transportation	5,870,001	5,750,925	5,698,123	-	52,802
Community services	20,150	20,150	14,811	-	5,339
Employee benefits	22,871,305	22,871,305	21,263,934	-	1,607,371
Debt service					
Principal	700,000	883,788	433,788	-	450,000
Interest	242,813	269,647	59,647	-	210,000
Total Expenditures	101,831,825	102,446,350	95,203,157	900,772	6,342,421
Excess (Deficiency) of Revenues Over Expenditures	(1,214,154)	(1,828,679)	9,007,943	(900,772)	9,935,850
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	798,472	-	798,472
Transfers out	(1,500,000)	(9,000,000)	(9,142,387)	-	(142,387)
Total Other Financing Uses	(1,500,000)	(9,000,000)	(8,343,915)	-	656,085
Net Change in Fund Balance	(2,714,154)	(10,828,679)	664,028	\$ (900,772)	\$ 10,591,935
FUND BALANCE					
Beginning of Year	2,714,154	10,828,679	36,730,731		
End of Year	\$ -	\$ -	\$ 37,394,759		

See independent auditors' report.

Glen Cove City School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	<u>\$ 69,646,884</u>	<u>\$ 69,646,884</u>	<u>\$ 69,646,884</u>	<u>\$ -</u>
OTHER TAX ITEMS				
School tax relief reimbursement	3,755,983	3,755,983	3,755,983	-
Payments in lieu of taxes	4,453,522	4,453,522	4,647,423	193,901
Interest and penalties on real property taxes	<u>200,000</u>	<u>200,000</u>	<u>275,485</u>	<u>75,485</u>
	<u>8,409,505</u>	<u>8,409,505</u>	<u>8,678,891</u>	<u>269,386</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,604,420</u>	<u>604,420</u>
CHARGES FOR SERVICES				
Day school tuition	100,000	100,000	85,262	(14,738)
Adult education fees	5,500	5,500	9,744	4,244
Other student fees and charges	<u>52,000</u>	<u>52,000</u>	<u>28,274</u>	<u>(23,726)</u>
	<u>157,500</u>	<u>157,500</u>	<u>123,280</u>	<u>(34,220)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	38,000	38,000	532,468	494,468
Rental of real property	<u>10,000</u>	<u>10,000</u>	<u>25,153</u>	<u>15,153</u>
	<u>48,000</u>	<u>48,000</u>	<u>557,621</u>	<u>509,621</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	<u>-</u>	<u>-</u>	<u>376,871</u>	<u>376,871</u>

STATE AID

Basic formula	19,782,826	16,309,533	16,664,124	354,591
Lottery aid	-	3,473,293	3,473,293	-
BOCES aid	1,026,948	1,026,948	1,006,317	(20,631)
Textbook aid	211,711	211,711	201,938	(9,773)
Computer software aid	91,597	91,597	91,891	294
Disabled students tuition/transfer aid	-	-	68,340	68,340
Library aid	25,200	25,200	22,634	(2,566)
Other	-	-	86,539	86,539
	<u>21,138,282</u>	<u>21,138,282</u>	<u>21,615,076</u>	<u>476,794</u>

FEDERAL AID

Impact aid	7,500	7,500	10,386	2,886
Medical assistance	150,000	150,000	271,676	121,676
	<u>157,500</u>	<u>157,500</u>	<u>282,062</u>	<u>124,562</u>

MISCELLANEOUS

Refund of prior year's expenditures	-	-	844,916	844,916
Refund for BOCES aided services	-	-	389,245	389,245
E-rate recovery	60,000	60,000	52,665	(7,335)
Other	-	-	39,169	39,169
	<u>60,000</u>	<u>60,000</u>	<u>1,325,995</u>	<u>1,265,995</u>

TOTAL REVENUES

100,617,671	100,617,671	104,211,100	3,593,429
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OTHER FINANCING SOURCES

Transfers in				
Capital Projects Fund	-	-	798,472	798,472
	<u>-</u>	<u>-</u>	<u>798,472</u>	<u>798,472</u>

**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

<u>\$ 100,617,671</u>	<u>\$ 100,617,671</u>	<u>\$ 105,009,572</u>	<u>\$ 4,391,901</u>
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See independent auditors' report.

Glen Cove City School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with Final Budget</u>
BOARD OF EDUCATION					
Board of education	\$ 59,263	\$ 73,977	\$ 62,780	\$ -	\$ 11,197
District meeting	<u>46,600</u>	<u>67,860</u>	<u>61,870</u>	<u>-</u>	<u>5,990</u>
Total Board of Education	<u>105,863</u>	<u>141,837</u>	<u>124,650</u>	<u>-</u>	<u>17,187</u>
CENTRAL ADMINISTRATION					
Chief school administrator	<u>363,397</u>	<u>419,376</u>	<u>416,754</u>	<u>-</u>	<u>2,622</u>
FINANCE					
Business administration	624,169	658,831	638,238	310	20,283
Auditing	176,500	207,535	137,277	50,000	20,258
Tax collection service	50,000	50,000	50,000	-	-
Treasurer	83,232	83,232	83,232	-	-
Fiscal agent fees	<u>-</u>	<u>11,700</u>	<u>11,700</u>	<u>-</u>	<u>-</u>
Total Finance	<u>933,901</u>	<u>1,011,298</u>	<u>920,447</u>	<u>50,310</u>	<u>40,541</u>
STAFF					
Legal	282,000	265,800	187,885	14,844	63,071
Personnel	353,436	350,387	349,581	-	806
Records management	48,903	51,983	51,983	-	-
Public information and services	<u>78,500</u>	<u>156,449</u>	<u>156,249</u>	<u>-</u>	<u>200</u>
Total Staff	<u>762,839</u>	<u>824,619</u>	<u>745,698</u>	<u>14,844</u>	<u>64,077</u>

CENTRAL SERVICES

Operation and maintenance of plant	7,688,995	8,291,230	5,892,452	590,308	1,808,470
Central printing and mailing	252,500	256,725	213,321	-	43,404
Total Central Services	7,941,495	8,547,955	6,105,773	590,308	1,851,874

SPECIAL ITEMS

Unallocated insurance	457,500	461,640	460,220	-	1,420
School association dues	45,000	59,446	52,636	-	6,810
Refunds of real property taxes	775,000	775,000	502,500	-	272,500
Administrative charge - BOCES	469,823	469,823	469,823	-	-
Total Special Items	1,747,323	1,765,909	1,485,179	-	280,730
Total General Support	11,854,818	12,710,994	9,798,501	655,462	2,257,031

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	2,386,467	2,335,535	2,159,204	-	176,331
Supervision - Regular school	2,303,111	2,277,756	2,205,632	-	72,124
Total Instruction, Administration and Improvement	4,689,578	4,613,291	4,364,836	-	248,455

TEACHING - REGULAR SCHOOL

29,369,727	28,860,397	28,431,087	7,246	422,064
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PROGRAMS FOR STUDENTS WITH DISABILITIES

18,171,827	18,466,827	17,949,220	-	517,607
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OCCUPATIONAL EDUCATION

750,000	950,627	923,395	-	27,232
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TEACHING - SPECIAL SCHOOLS

257,250	248,837	227,462	-	21,375
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(Continued)

Glen Cove City School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
<i>INSTRUCTIONAL MEDIA</i>					
School library and audiovisual	\$ 455,506	\$ 429,577	\$ 398,041	\$ -	\$ 31,536
Computer assisted instruction	2,077,116	1,866,493	1,585,400	154,038	127,055
Total Instructional Media	2,532,622	2,296,070	1,983,441	154,038	158,591
<i>PUPIL SERVICES</i>					
Attendance - Regular school	89,975	87,822	84,418	-	3,404
Guidance - Regular school	1,057,191	1,100,648	1,089,807	-	10,841
Health services - Regular school	923,511	974,262	850,427	-	123,835
Psychological services - Regular school	853,675	884,675	790,402	-	94,273
Social work services - Regular school	496,276	384,526	342,915	-	41,611
Co-curricular activities - Regular school	188,750	188,332	146,839	-	41,493
Interscholastic athletics - Regular school	892,356	883,227	750,104	84,026	49,097
Total Pupil Services	4,501,734	4,503,492	4,054,912	84,026	364,554
Total Instruction	60,272,738	59,939,541	57,934,353	245,310	1,759,878
<i>PUPIL TRANSPORTATION</i>					
District transportation services	55,150	55,150	43,007	-	12,143
Contract and public carrier transportation	5,814,851	5,695,775	5,655,116	-	40,659
Total Pupil Transportation	5,870,001	5,750,925	5,698,123	-	52,802
<i>COMMUNITY SERVICES</i>					
Summer recreation	3,650	3,650	2,786	-	864
Adult continuing education	16,500	16,500	12,025	-	4,475
Total Community Services	20,150	20,150	14,811	-	5,339

EMPLOYEE BENEFITS

State retirement	1,110,185	902,922	902,922	-	-
Teachers' retirement	4,306,585	4,306,585	4,135,386	-	171,199
Social security	3,933,835	3,933,835	3,545,402	-	388,433
Life insurance	6,000	5,186	4,764	-	422
Unemployment benefits	5,000	6,478	1,905	-	4,573
Hospital, medical and dental insurance	13,177,700	13,382,905	12,361,988	-	1,020,917
Workers' compensation benefits	325,000	325,000	306,749	-	18,251
Administrative fees	2,000	3,394	1,776	-	1,618
Disability insurance	5,000	5,000	3,042	-	1,958

Total Employee Benefits	22,871,305	22,871,305	21,263,934	-	1,607,371
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DEBT SERVICE

Principal					
Serial bonds	700,000	700,000	250,000	-	450,000
Installment purchase debt	-	183,788	183,788	-	-

	700,000	883,788	433,788	-	450,000
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Interest					
Serial bonds	242,813	242,813	32,813	-	210,000
Installment purchase debt	-	26,834	26,834	-	-

	242,813	269,647	59,647	-	210,000
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Total Debt Service	942,813	1,153,435	493,435	-	660,000
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TOTAL EXPENDITURES	101,831,825	102,446,350	95,203,157	900,772	6,342,421
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OTHER FINANCING USES

Transfers out					
School Lunch Fund	150,000	29,054	150,000	-	(120,946)
Special Aid Fund	350,000	470,946	492,387	-	(21,441)
Capital Projects Fund	1,000,000	8,500,000	8,500,000	-	-

TOTAL OTHER FINANCING USES	1,500,000	9,000,000	9,142,387	-	(142,387)
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TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 103,331,825</u>	<u>\$ 111,446,350</u>	<u>\$ 104,345,544</u>	<u>\$ 900,772</u>	<u>\$ 6,200,034</u>
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See independent auditors' report.

Glen Cove City School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2023

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Science Lab Project	\$ 250,000	\$ 9,689	\$ -	\$ 9,689
High School and Middle School Rigging	250,000	250,000	-	250,000
District-Wide Security	242,496	222,782	47,585	270,367
Middle School - Boilers	250,000	250,000	-	250,000
High School Boiler Room Expansion Tanks	126,000	165,710	-	165,710
Deasy Air Handling Unit	550,000	550,000	-	550,000
High School and Middle School Nurse Restrooms	200,153	-	200,153	200,153
Connolly Restrooms	265,420	-	265,420	265,420
High School - HVAC/Flooring	384,427	-	384,427	384,427
1910 Patio	505,000	-	19,494	19,494
Middle School - HVAC Improvements	195,000	-	-	-
Deasy Fire Alarm System	300,000	-	-	-
Energy Performance Contract	6,220,238	-	1,477,306	1,477,306
Installment Purchase Debt - Chromebooks	317,311	-	317,311	317,311
Deasy Extension	8,788,229	-	212,841	212,841
Landing Extension	5,778,228	-	266,522	266,522
District-Wide Improvement - 2023 Bond	30,552,621	-	169,257	169,257
Storm IDA - Mitigation and Repairs	4,144,055	-	1,333,479	1,333,479
Totals	<u>\$ 59,319,178</u>	<u>\$ 1,448,181</u>	<u>\$ 4,693,795</u>	<u>\$ 6,141,976</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing					Fund Balance (Deficit) at June 30, 2023
	Proceeds of Obligations	Transfers	State and Federal Aid	Miscellaneous	Totals	
\$ 240,311	-	\$ -	\$ -	\$ -	\$ -	\$ (9,689)
-	-	-	-	-	-	(250,000)
(27,871)	-	232,640	-	-	232,640	(37,727)
-	-	-	-	-	-	(250,000)
(39,710)	-	126,000	-	-	126,000	(39,710)
-	-	300,000	-	-	300,000	(250,000)
-	-	200,153	-	-	200,153	-
-	-	265,420	-	-	265,420	-
-	-	384,427	-	-	384,427	-
485,506	-	505,000	-	-	505,000	485,506
195,000	-	195,000	-	-	195,000	195,000
300,000	-	300,000	-	-	300,000	300,000
4,742,932	6,220,238	-	-	4,120	6,224,358	4,747,052
-	317,311	-	-	-	317,311	-
8,575,388	-	5,800,000	-	-	5,800,000	5,587,159
5,511,706	-	1,700,000	-	-	1,700,000	1,433,478
30,383,364	-	-	-	-	-	(169,257)
2,810,576	-	-	-	-	-	(1,333,479)
<u>\$ 53,177,202</u>	<u>\$ 6,537,549</u>	<u>\$ 10,008,640</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 16,550,309</u>	<u>\$ 10,408,333</u>

Glen Cove City School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS			
Cash and equivalents	\$ 75,193	\$ 160,179	\$ 235,372
Receivables			
Accounts	1,978	-	1,978
State and Federal aid	107,059	-	107,059
	109,037	-	109,037
Inventories	12,930	-	12,930
Total Assets	<u>\$ 197,160</u>	<u>\$ 160,179</u>	<u>\$ 357,339</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 304	\$ 23,000	\$ 23,304
Accrued liabilities	3	-	3
Due to other governments	41	-	41
Due to other funds	98,766	-	98,766
Total Liabilities	99,114	23,000	122,114
Fund balances			
Nonspendable	12,930	-	12,930
Restricted	-	137,179	137,179
Assigned	85,116	-	85,116
Total Fund Balances	98,046	137,179	235,225
Total Liabilities and Fund Balances	<u>\$ 197,160</u>	<u>\$ 160,179</u>	<u>\$ 357,339</u>

See independent auditors' report.

Glen Cove City School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES			
Use of money and property	\$ 129	\$ 340	\$ 469
State aid	30,755	-	30,755
Federal aid	1,653,420	-	1,653,420
Miscellaneous	192,320	288,789	481,109
Total Revenues	1,876,624	289,129	2,165,753
EXPENDITURES			
Current			
Cost of food sales	2,162,907	-	2,162,907
Other	-	272,111	272,111
Total Expenditures	2,162,907	272,111	2,435,018
Excess (Deficiency) of Revenues Over Expenditures	(286,283)	17,018	(269,265)
OTHER FINANCING SOURCES			
Transfers in	150,000	-	150,000
Net Change in Fund Balance	(136,283)	17,018	(119,265)
FUND BALANCES			
Beginning of Year	234,329	120,161	354,490
End of Year	\$ 98,046	\$ 137,179	\$ 235,225

See independent auditors' report.

Glen Cove City School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2023

Adopted Budget	\$ 101,942,671
Additions - Encumbrances	<u>1,389,154</u>
Original Budget	103,331,825
Budget Amendments	<u>8,117,525</u>
Final Budget	<u><u>\$ 111,449,350</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2023

2023-24 Expenditure Budget	<u>\$ 107,999,370</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law Unrestricted fund balance	
Assigned - Purchase on order	\$ 900,772
Unassigned	<u>4,319,975</u>
Total Unrestricted Fund Balance	5,220,747
Less	
Encumbrances	<u>900,772</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 4,319,975</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Glen Cove City School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2023

Capital Assets, net		\$	15,053,065
Add			
Unexpended debt proceeds			4,742,932
Less			
General obligation bonds payable	\$	750,000	
Installment purchase debt payable		588,960	
Energy performance contract debt payable		<u>6,220,238</u>	
			<u>(7,559,198)</u>
Net Investment in Capital Assets		\$	<u><u>12,236,799</u></u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Glen Cove City School District, New York ("School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 13, 2023



**Report on Compliance For Each Major Federal Program and Report
on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Glen Cove City School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 13, 2023

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Glen Cove City School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 353,282
National School Lunch Program - Cash	10.555	N/A	-	1,166,193
National School Lunch Program - Commodities	10.555	N/A	-	130,177
Subtotal Child Nutrition Cluster			-	1,649,652
State Pandemic EBT Administrative Costs grant	10.649	N/A	-	3,768
Total U.S. Department of Agriculture			-	1,653,420
U.S. Department of Education				
Direct Program				
Impact Aid	84.041	N/A	-	10,386
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-23-0401	-	1,043,350
Special Education - Preschool Grants	84.173	0033-23-0401	-	25,587
			-	1,068,937
Title I Grants to Local Educational Agencies	84.010	0021-22-1445	-	1,700
Title I Grants to Local Educational Agencies	84.010	0021-23-1445	-	618,530
			-	620,230
English Language Acquisition State Grants	84.365	0293-23-1445	-	92,168
Supporting Effective Instruction State Grants	84.367	0147-22-1445	-	27,610
Supporting Effective Instruction State Grants	84.367	0147-23-1445	-	90,338
			-	117,948
Student Support and Academic Enrichment	84.424	0204-22-1445	-	12,973
Student Support and Academic Enrichment	84.424	0204-23-1445	-	48,258
			-	61,231
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-22-1445	-	703,946
Total U.S. Department of Education			-	2,674,846
U.S. Department of Homeland Security				
Indirect Program - Passed through New York State Division of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4615-NY	-	1,718,154
Total Expenditures of Federal Awards			\$ -	\$ 6,046,420

N/A Information not available

The accompanying notes are an integral part of this schedule.

Glen Cove City School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Glen Cove City School District, New York ("School District") under programs of the federal government for the year ended June 30, 2023. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Glen Cove City School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on
whether the financial statements audited
were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.553

Child Nutrition Cluster

School Breakfast Program

10.555

National School Lunch Program - Cash

10.555

National School Lunch Program - Commodities

84.425U

American Rescue Plan Elementary and Secondary School
Emergency Relief (ARP ESSER) Fund

97.036

Disaster Grants – Public Assistance (Presidentially Declared
Disasters)

Dollar threshold used to distinguish
between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$750,000
 X Yes ____ No

Glen Cove City School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Glen Cove City School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

None