



Great Neck Public Schools

Where Discovery Leads to Greatness

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS
June 30, 2023

GREAT NECK UNION FREE SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Great Neck Union Free School District
Great Neck, New York

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Great Neck Union Free School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

OPINION UNIT	TYPE OF OPINION
Governmental Activities	<i>Unmodified</i>
General Fund	<i>Unmodified</i>
Special Aid Fund	<i>Unmodified</i>
School Food Service Fund	<i>Unmodified</i>
Debt Service Fund	<i>Unmodified</i>
Capital Projects Fund	<i>Unmodified</i>
Extraclassroom Activities Fund	<i>Qualified</i>
Scholarships Fund	<i>Unmodified</i>
Permanent Fund	<i>Unmodified</i>
Fiduciary Fund	<i>Unmodified</i>

Qualified Opinion

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Great Neck Union Free School District, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extraclassroom activities fund, and the fiduciary fund of the Great Neck Union Free School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Great Neck Union Free 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Extraclassroom Activities Fund

The cash receipts records of the student activities that comprise the extraclassroom activities fund of the Great Neck Union Free School District were not sufficient to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net pension asset/(liability), and schedule of District's pension contributions on pages 4 through 19 and 63 through 66, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The other information on pages 67 through 70 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of the Great Neck Union Free 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 Great Neck Union Free 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 Great Neck Union Free School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

October 11, 2023

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

The following is a discussion and analysis of the Great Neck Union Free School District's (the "District") financial performance for the year ended June 30, 2023. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based 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 District's notes to financial statements and required supplementary information, which immediately follow this section.

FINANCIAL HIGHLIGHTS

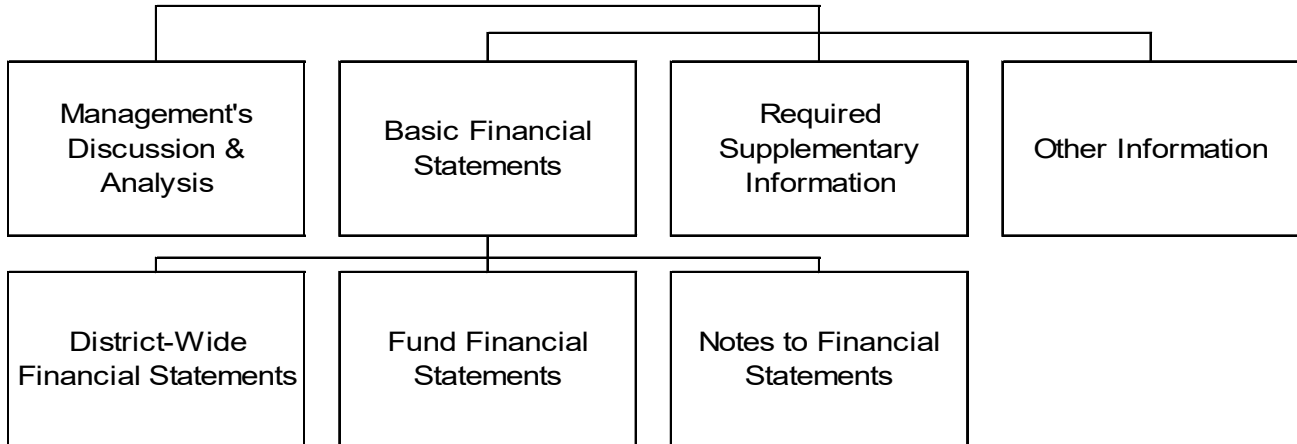
Key financial highlights for year 2023 are as follows:

- On the district-wide financial statements, total net position (deficit) increased by \$6,421,638 to \$(38,189,095) for the year ended June 30, 2023, compared to a net position (deficit) balance of \$(31,767,457) at June 30, 2022.
- On the district-wide financial statements, the District's expenses for the year totaled \$271,454,277. Of this amount, \$17,024,195 was offset by program charges for services, and operating grants and contributions. General revenues of \$248,008,444 amount to 94% of total revenues.
- The general fund's total fund balance, as reflected on the Balance Sheet in the fund financial statements, increased by \$727,196 to \$75,450,724.
- On the Balance Sheet, the general fund's unassigned fund balance at year end was \$10,885,415. This represents an increase of \$428,107 over the prior year.
- The District's 2023 property tax levy of \$222,658,679 was a 2.57% increase over the 2022 tax levy. The District's property tax cap was 3.36%.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The chart below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<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 outflow of resources/liability/deferred inflow 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 outflow of resources expected to be used up and liabilities and deferred inflow of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflow 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

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Financial Statements

The district-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances. These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

Fund Financial Statements

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

Governmental Funds

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

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

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Because the focus of governmental funds is narrower than that of 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, the reader may better understand the long-term impact of the 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 District maintains eight individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activities fund, scholarships fund, and permanent fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes and PILOT collected on behalf of other governments and disbursed to those governments and collections and disbursements for independent entities affiliated with the District, and utilizes the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in separate statements. The fiduciary activities have been excluded from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed Statement of Net Position

The District's total net position (deficit) increased by \$6,421,638 between fiscal year 2022 and 2023. A summary of the District's Statements of Net Position follows:

	6/30/2023	6/30/2022	Change	Percent Change
Current and other assets	\$ 150,173,510	\$ 152,185,930	\$ (2,012,420)	-1.3%
Capital assets, net	175,008,022	163,125,234	11,882,788	7.3%
Net pension assets - proportionate share	-	113,928,148	(113,928,148)	-100.0%
Total assets	325,181,532	429,239,312	(104,057,780)	-24.2%
Deferred outflows of resources	109,618,339	125,858,102	(16,239,763)	-12.9%
Other liabilities	31,281,459	25,408,736	5,872,723	23.1%
Non-current liabilities	333,386,199	329,058,273	4,327,926	1.3%
Net pension liability - proportionate share	24,815,607	-	24,815,607	100.0%
Total liabilities	389,483,265	354,467,009	35,016,256	9.9%
Deferred inflows of resources	83,505,701	232,397,862	(148,892,161)	-64.1%
Net position (deficit):				
Net investment in capital assets	119,822,678	116,962,914	2,859,764	2.4%
Restricted	62,859,941	56,034,995	6,824,946	12.2%
Unrestricted (Deficit)	(220,871,714)	(204,765,366)	(16,106,348)	-7.9%
Total net position (deficit)	\$ (38,189,095)	\$ (31,767,457)	\$ (6,421,638)	-20.2%

Current and other assets decreased by \$2,012,420 as compared to the prior year. The decrease is primarily related to decreases in cash balances, taxes receivable, lease receivable, and investment as compared to prior year, offset by increases in amounts due from other governments.

Capital assets, net of depreciation, increased by \$11,882,788, as compared to the prior year. This increase was the result of capital asset additions exceeding depreciation expense. The accompanying Notes to Financial Statements, Note 9 "Capital Assets" provides additional information.

Net pension asset – proportionate share decreased by \$113,928,148 in the current year. This asset represents the District's share of the New York State Teachers' Retirement System's and New York State and Local Employees' Retirement System's collective net pension asset at the measurement date of the respective year. The plans reported a net pension liability as of June 30, 2023.

Deferred outflows of resources decreased by \$16,239,763 as compared to the prior year. The deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and other post employment benefits plans that will be amortized in future years.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Condensed Statement of Net Position (continued)

Current and other liabilities increased by \$5,872,723, as compared to the prior year. This increase was primarily related to increases in accounts payable, accrued liabilities, and amounts due to the Teachers' Retirement System, offset by a decrease in amounts due to other governments.

Non-current liabilities increased by \$4,327,926 as compared to the prior year. This increase was primarily in connection with the increase in the total other postemployment benefit liability accrual and proceeds of debt, offset by the current maturities of debt. See Note 14 for additional information.

Net pension liability – proportionate share increased by \$24,815,607 in the current year. This liability represents the District's share of the New York State and Local Employees' Retirement System and New York State Teachers' Retirement System's net pension liability at the measurement date of the respective year. The plans reported a net pension asset as of June 30, 2022.

Deferred inflows of resources represent actuarial adjustments at the pension plan level that will be amortized in future years, actuarial adjustments relating to the other postemployment benefits plan which will be amortized in future years, and deferred outflows related to leases receivable, which will be amortized over the life of the lease. This amount decreased by \$148,892,161, as compared to the prior year due to changes in the actuarial valuations.

The net investment in capital assets relates to the investment in capital assets at cost such as - land, construction-in-progress, buildings and improvements, site improvements, and furniture and equipment, net of depreciation and related debt. This increased over the prior year by \$2,859,764 due to current year capital asset additions and current year principal payments, offset by depreciation/amortization expense.

Restricted net position at June 30, 2023 is \$62,859,941 and is comprised of the District's reserves as seen in the fund balance section on the Balance Sheet – Governmental Funds, including nonspendable scholarships and excluding unspent bond proceeds.

The unrestricted net deficit of \$(220,871,714) relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, in accordance with state guidelines, the District is only permitted to fund OPEB on a "pay-as-you-go" basis and is not permitted to accumulate funds for the total OPEB liability.

The District's total net position (deficit) increased by \$6,421,638 or 20.2% to \$(38,189,095) for the year ended June 30, 2023, compared to \$(31,767,457), at June 30, 2022.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Changes in Net Position from Operating Results

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2023 and 2022 is as follows:

	6/30/2023	6/30/2022	Increase (Decrease)	Percent Change
Revenues				
Program revenues:				
Charges for services	\$ 8,732,124	\$ 6,816,088	\$ 1,916,036	28.1%
Operating grants and contributions	8,292,071	12,221,721	(3,929,650)	-32.2%
Capital grants		248,231	(248,231)	-100.0%
General revenues:				
Real property taxes	218,526,993	212,552,486	5,974,507	2.8%
Other tax items and STAR	11,246,487	11,151,772	94,715	0.8%
State aid	10,990,494	9,977,076	1,013,418	10.2%
Sale of property and compensation for loss	320,138	255,271	64,867	25.4%
Use of money and property	5,503,036	1,016,662	4,486,374	441.3%
Other	1,421,296	818,306	602,990	73.7%
Total revenues	<u>265,032,639</u>	<u>255,057,613</u>	<u>9,975,026</u>	3.9%
Expenses				
General support	42,079,322	33,501,099	8,578,223	25.6%
Instruction	206,378,164	178,820,366	27,557,798	15.4%
Pupil transportation	16,264,445	15,681,702	582,743	3.7%
Community services	1,305,592	995,357	310,235	31.2%
Debt services - interest	1,885,861	1,767,535	118,326	6.7%
School food service program	3,540,893	2,799,660	741,233	26.5%
Total expenses	<u>271,454,277</u>	<u>233,565,719</u>	<u>37,888,558</u>	16.2%
Change in net position	<u>\$ (6,421,638)</u>	<u>\$ 21,491,894</u>	<u>\$ (27,913,532)</u>	-129.9%

The District's revenues increased by \$9,975,026 or 3.9% for the year ended June 30, 2023. The main areas of increase were charges for services, real property taxes, state aid, and use of money and property. These increases were mostly offset by decreases in operating grants and contributions and capital grants, as compared to the prior year.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

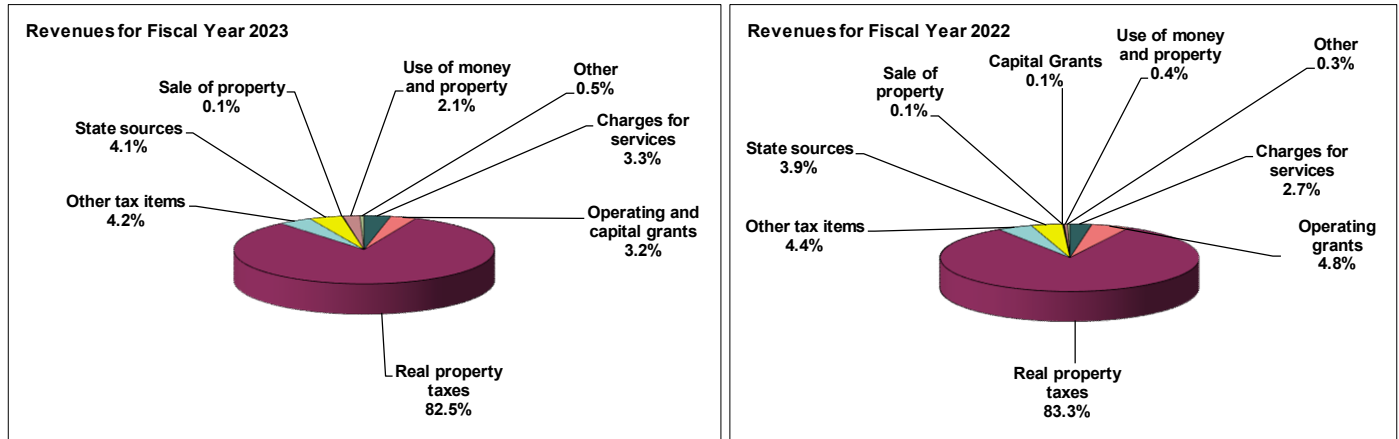
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Changes in Net Position from Operating Results (continued)

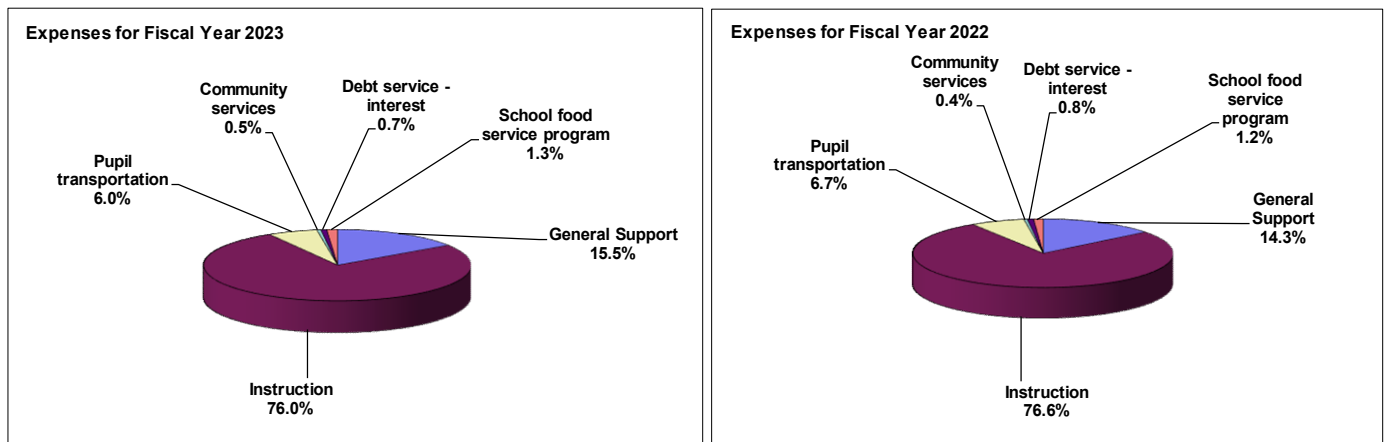
The District's expenses increased by \$37,888,558 or 16.2% for the year ended June 30, 2023. The increase was primarily the result of the increase in the District's share of the New York State Teachers' and Employees' Retirement System's collective net pension costs and an increase in the OPEB liability.

As indicated on the pie charts below, real property taxes is the largest component of revenues recognized, representing 82.5% and 83.3% of the total revenues for the years ended June 30, 2023 and 2022, respectively. Instruction expenses is the largest category of expenses incurred at 76.0% and 76.6% of the total expenses for the years ended June 30, 2023 and 2022, respectively.

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



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



GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$117,812,096, which is a decrease of \$7,445,534 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Restricted:				
Unemployment Insurance	\$ 2,505,509	\$ 2,409,143	\$ 96,366	4.0%
Employee Benefit				
Accrued Liability Reserve	15,235,694	13,015,090	2,220,604	17.1%
Workers' Compensation	11,829,342	12,432,060	(602,718)	-4.8%
Retirement Contribution- ERS	26,081,299	21,802,919	4,278,380	19.6%
Retirement Contribution- TRS	4,238,547	4,012,098	226,449	5.6%
Assigned	4,674,918	10,594,910	(5,919,992)	-55.9%
Unassigned	10,885,415	10,457,308	428,107	4.1%
	<u>75,450,724</u>	<u>74,723,528</u>	<u>727,196</u>	1.0%
School Food Service Fund				
Nonspendable: Inventory	125,494	126,895	(1,401)	-1.1%
Assigned	1,660,231	1,556,040	104,191	6.7%
	<u>1,785,725</u>	<u>1,682,935</u>	<u>102,790</u>	6.1%
Debt Service Fund				
Restricted: Debt	<u>1,152,081</u>	<u>522,897</u>	<u>629,184</u>	120.3%
Capital Projects Fund				
Restricted:				
Capital	1,223,537	1,222,339	1,198	0.1%
Unspent Bond Proceeds	13,283,202	20,169,509	(6,886,307)	-34.1%
Assigned	23,747,267	25,779,563	(2,032,296)	-7.9%
	<u>38,254,006</u>	<u>47,171,411</u>	<u>(8,917,405)</u>	-18.9%
Extraclassroom Activities Fund				
Assigned	<u>575,628</u>	<u>538,410</u>	<u>37,218</u>	6.9%
Scholarships Fund				
Restricted: Scholarships	<u>416,925</u>	<u>303,532</u>	<u>113,393</u>	37.4%
Permanent Fund				
Nonspendable: Scholarships	<u>177,007</u>	<u>314,917</u>	<u>\$ (137,910)</u>	-43.8%
Total Fund Balance	<u>\$ 117,812,096</u>	<u>\$ 125,257,630</u>	<u>\$ (7,445,534)</u>	-5.9%

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (continued)

General Fund

The general fund - fund balance increased by \$727,196 due to revenues and other financing sources in excess of expenditures and other financing uses, which provided for funding of the reserves for retirement contribution- ERS, retirement contribution- TRS, workers' compensation, and employee benefit accrued liability. Actual revenues earned, including other financing sources, were higher than in the prior year by \$11,201,742 predominantly due to the tax levy increase. Total expenditures, inclusive of other financing uses, were higher than the prior year by \$13,904,989.

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

	Balance @ June 30, 2022	Use of Reserves	Interest	Funding	Balance @ June 30, 2023	Appropriated for June 30, 2024
Unemployment Insurance	\$ 2,409,143	\$ -	\$ 96,366	\$ -	\$ 2,505,509	\$ -
Employee Benefit Accrued Liability	13,015,090	(200,000)	520,604	1,900,000	15,235,694	1,040,750
Workers' Compensation	12,432,060	(1,100,000)	497,282	-	11,829,342	1,350,000
Retirement Contribution- ERS	21,802,919	(2,513,561)	872,117	5,919,824	26,081,299	3,041,056
Retirement Contribution- TRS	4,012,098	(2,076,561)	160,484	2,142,526	4,238,547	4,000,000
	<u>\$ 53,671,310</u>	<u>\$ (5,890,122)</u>	<u>\$ 2,146,853</u>	<u>\$ 9,962,350</u>	<u>\$ 59,890,391</u>	<u>\$ 9,431,806</u>

School Food Service Fund

The school food service fund - fund balance increased by \$102,790, as compared to the prior year due to revenues exceeding expenditures on the modified accrual basis of accounting.

Debt Service Fund

The debt service fund - fund balance increased by \$629,184. The increase is related to interest earnings.

Capital Projects Fund

The capital projects fund - fund balance decreased by \$8,917,405. The District made total transfers of \$6,946,158 from the general fund to fund capital projects. Expenditures were made for several projects totaling \$16,671,360.

The following is a summary of the District's capital projects fund restricted fund balance activity:

	Balance @ June 30, 2022	Use of Reserves	Interest	Balance @ June 30, 2023
2016 Capital Reserve	<u>\$ 1,222,339</u>	<u>\$ (1,198)</u>	<u>\$ -0-</u>	<u>\$ 1,223,537</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (continued)

Extraclassroom Activities Fund

The net change in the extraclassroom activities fund – fund balance is an increase of \$37,218, as a result of revenues of \$1,180,734 in excess of expenditures of \$1,143,516.

Scholarships Fund

The net change in the scholarships fund – fund balance is an increase of \$113,393, as a result of revenues and transfers in of \$205,994 in excess of expenditures of \$92,601.

Permanent Fund

The net change in the permanent fund – fund balance is a decrease of \$137,910, as a result of transfers out of \$137,910.

General Fund Budgetary Highlights

2022-23 Budget

The District's general fund adopted budget for the year ended June 30, 2023, was \$261,432,690. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,980,834, and the approval of various budget adjustment increases of \$10,094 for a total final budget of \$263,423,618.

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

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

Opening, Unassigned Fund Balance	\$ 10,457,308
Revenues and Other Financing Sources Over Budget	5,916,493
Expenditures, Other Financing Uses and Encumbrances Under Budget	10,964,927
Unused Appropriated Reserves	(169,102)
Allocation to Reserves	(12,109,204)
Appropriated for the 2023-2024 Budget	<u>(4,175,007)</u>
Closing, Unassigned Fund Balance	<u>\$ 10,885,415</u>

Opening, Unassigned Fund Balance

The \$10,457,308 shown in the table above is the portion of the District's June 30, 2022 fund balance that was reported as unassigned. This was 4.00% of the District's 2022-23 approved operating budget of \$261,432,690.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights (continued)

Revenues and Other Financing Sources Over Budget

The 2022-2023 final budget for revenues was \$246,769,483. Actual revenues and other financing sources recognized for the year were \$252,685,976. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources amounted to \$5,916,493. The District recognized revenues in excess of that anticipated in the following areas: other tax items, charges for services, use of money and property, sale of property and compensation for loss, and miscellaneous. Revenues over budget contribute directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2022 to June 30, 2023.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2022-23 final budget for expenditures and other financing uses, including prior year open encumbrances and budget revisions amounted to \$263,423,618. Actual expenditures and other financing uses as of June 30, 2023 were \$251,958,780. Outstanding encumbrances as of June 30, 2023 were \$499,911. Combined, the expenditures and other financing uses plus encumbrances for 2022-23 were \$252,458,691. The final budget variance was \$10,964,927. Budget categories which contributed significantly to this were as follows: teaching regular school - expenditures for salaries were less than anticipated; programs for children with disabilities – expenditures for programs were less than anticipated; pupil transportation - expenditures for transportation were less than anticipated; and employee benefits - actual increases in medical insurance costs, workers' compensation costs and retirement system costs were less than anticipated. Expenditures and encumbrances under budget contribute directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2022 to June 30, 2023.

Unused Appropriated Reserves

In the 2022-23 budget \$6,059,225 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, \$169,102 of the funding was not needed and therefore, was required to be returned to the reserves and is available for future use.

Allocation to Reserves

Amounts transferred from budget lines within the general fund operations into reserves such as the employee benefit accrued liability reserve, and the retirement contribution reserve for both ERS and TRS, which do not affect the combined non-spendable, restricted, assigned and unassigned fund balance unless, and until, these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned portion of the fund balance by the amount of the transfer.

Assigned - Appropriated Fund Balance

The District has chosen to use \$4,175,007 of its available June 30, 2023 fund balance to partially fund its 2023-24 approved operating budget.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights (continued)

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previously presented table, the District will begin the 2023-24 fiscal year with an unassigned fund balance of \$10,885,415. This is an increase of \$428,107, as compared to the prior year. This is 4.00% of the District's 2023-24 approved operating budget of \$272,138,300.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023 and 2022, the District had invested in a broad range of capital assets, as shown in the table below. The net increase in capital assets is due to capital additions in excess of depreciation expense for the year ended June 30, 2023. A summary of the District's capital assets, net of accumulated depreciation, at June 30, 2023 and 2022 is as follows:

Category	6/30/2023	6/30/2022	% Change
Land	\$ 2,798,112	\$ 2,798,112	0.0%
Construction-in-progress	45,761,218	47,663,950	-4.0%
Building and improvements	95,319,748	82,485,131	15.6%
Site improvements	17,061,696	16,549,719	3.1%
Furniture and equipment	14,067,248	13,628,322	3.2%
Totals	<u>\$ 175,008,022</u>	<u>\$ 163,125,234</u>	7.3%

Capital additions for the year ended June 30, 2023 were \$17,304,444. Depreciation expense for the year was \$5,411,645.

Debt Administration

A summary of the long-term debt at June 30, 2023 and 2022 is as follows:

Category	6/30/2023	6/30/2022	% Change
General obligation bonds, inclusive of premiums	\$ 60,208,724	\$ 62,723,720	-4.0%
Finance purchase agreements payable	1,084,217	954,462	13.6%
Installment purchase debt	1,803,923	2,653,647	-32.0%
Other postemployment benefits payable	250,831,976	242,436,358	3.5%
Compensated absences	16,202,754	16,472,172	-1.6%
Workers' compensation claims payable	3,254,605	3,817,914	-14.8%
Net pension liability - proportionate share	24,815,607	-	100.0%
Totals	<u>\$ 358,201,806</u>	<u>\$ 329,058,273</u>	8.9%

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

At June 30, 2023, the District had total bonds payable (inclusive of unamortized premiums) of \$60,208,724. The decrease in outstanding debt represents scheduled principal payments.

At June 30, 2023, the District has finance purchase agreements payable of \$1,084,217. The increase represents the issuance of a new finance purchase agreement, offset by scheduled principal payments.

At June 30, 2023, the District had total installment purchase debt payable of \$1,803,923. The decrease in total installment purchase debt represents scheduled principal payments.

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, workers' compensation liability, net pension liability - proportionate share and total other postemployment benefits obligation. The compensated absences liability is based on employment contracts. The workers' compensation liability, the net pension liability- proportionate share and the total other postemployment benefits obligation are based on actuarial valuations.

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aaa. The District's total outstanding indebtedness currently does not exceed its debt limit, which is defined as 10% of the full valuation of the taxable real property within the District.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 16, 2023, for the year ending June 30, 2024, is \$272,138,300. This is an increase of \$10,705,610 or 4.09% over the previous year's budget.

The District's adopted budget reflects non-property tax revenues at an increase of \$4,931,854 over the current year's budget. The assigned-appropriated fund balance the District applied to the 2023-24 budget to reduce taxes is \$4,175,007, which is a decrease of \$4,439,069 compared to the prior year. The District appropriated \$9,431,806 of restricted fund balance to be applied to the June 30, 2024 budget, which is an increase of \$3,372,581. The adopted budget reflects an increase in property tax revenues of 3.07%.

New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities and most school districts. For fiscal years beginning in 2012, no school district is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however there are permitted exceptions and adjustments. School districts can exceed the tax levy limit only by a 60% favorable vote by District's budget voters. The 3.07% increase in the property tax levy is in compliance with Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions.

GREAT NECK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

CONTACTING THE DISTRICT

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

Mr. John O'Keefe
Assistant Superintendent for Business and Finance
Great Neck Union Free School District
Phipps Administration Building
345 Lakeville Road
Great Neck, New York 11020

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

ASSETS

Cash	
Unrestricted	\$ 60,908,421
Restricted	76,143,143
Receivables	
State and Federal aid	3,111,926
Due from other governments	3,344,577
Taxes	4,440,682
Lease receivable	1,524,767
Other	574,500
Inventories	<u>125,494</u>
Total Current Assets	<u>150,173,510</u>
Non-depreciable capital assets	48,559,330
Depreciable capital assets, net of depreciation	<u>126,448,692</u>
Total Non-Current Assets	<u>175,008,022</u>
Total Assets	<u>325,181,532</u>

DEFERRED OUTFLOWS OF RESOURCES

Other postemployment benefits	37,279,987
Pensions	<u>72,338,352</u>
Total Deferred Outflows of Resources	<u>109,618,339</u>

LIABILITIES

Accounts payable	9,025,670
Accrued liabilities	3,792,759
Retainage payable	704,347
Compensated absences payable	668,024
Due to other governments	859,305
Due to teachers' retirement system	12,353,858
Due to employees' retirement system	803,195
Other liabilities	78,239
Unearned credits: collections in advance	2,916,723
Accrued interest	79,339
Non-current liabilities	
Due and payable within one year:	
Bonds payable, inclusive of premiums	2,623,996
Finance purchase agreements payable	458,097
Installment purchase debt payable	884,086
Compensated absences payable	810,138
Workers' compensation claims payable	152,372
Due and payable after one year:	
Bonds payable, inclusive of premiums	57,584,728
Finance purchase agreements payable	626,120
Installment purchase debt payable	919,837
Other postemployment benefits payable	250,831,976
Compensated absences payable	15,392,616
Workers' compensation claims payable	3,102,233
Net pension liabilities - proportionate share	<u>24,815,607</u>
Total Liabilities	<u>389,483,265</u>

DEFERRED INFLOWS OF RESOURCES

Lease related	1,481,637
Other postemployment benefits	75,360,431
Pensions	<u>6,663,633</u>
Total Deferred Inflows of Resources	<u>83,505,701</u>

NET POSITION (DEFICIT)

Net Investment in capital assets	119,822,678
Restricted	62,859,941
Unrestricted (Deficit)	<u>(220,871,714)</u>
Total Net Position (Deficit)	<u>\$ (38,189,095)</u>

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Expenses	Program Revenues Charges for Services	Operating Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	\$ 42,079,322			\$ (42,079,322)
Instruction	206,378,164	\$ 6,672,284	\$ 6,909,958	(192,795,922)
Pupil transportation	16,264,445			(16,264,445)
Community services	1,305,592			(1,305,592)
Debt service - interest	1,885,861			(1,885,861)
School food service program	3,540,893	2,059,840	1,382,113	(98,940)
Total Functions and Programs	<u>\$ 271,454,277</u>	<u>\$ 8,732,124</u>	<u>\$ 8,292,071</u>	<u>(254,430,082)</u>
GENERAL REVENUES				
Real property taxes				218,526,993
Other tax items and STAR				11,246,487
Nonproperty taxes				
Use of money and property				5,503,036
Sale of property and compensation for loss				320,138
State aid				10,990,494
Miscellaneous				1,342,908
Medicaid				78,388
Total General Revenues				<u>248,008,444</u>
Change in Net Position				(6,421,638)
Total Net Position (Deficit) - Beginning of Year				<u>(31,767,457)</u>
Total Net Position (Deficit) - End of Year				<u>\$ (38,189,095)</u>

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
ASSETS									
Cash									
Unrestricted	\$ 23,026,900	\$ 4,641,612	\$ 2,763,065		\$ 29,901,216	\$ 575,628			\$ 60,908,421
Restricted	60,518,007			\$ 524,465	14,506,739		\$ 416,925	\$ 177,007	76,143,143
Receivables									
State and federal aid	1,134,565	1,908,119	69,242						3,111,926
Due from other governments	3,344,577								3,344,577
Due from other funds	7,115,322			647,394					7,762,716
Taxes	4,440,682								4,440,682
Lease receivable	1,524,767								1,524,767
Other	394,131	179,292	1,077						574,500
Inventories			125,494						125,494
Total Assets	<u>\$ 101,498,951</u>	<u>\$ 6,729,023</u>	<u>\$ 2,958,878</u>	<u>\$ 1,171,859</u>	<u>\$ 44,407,955</u>	<u>\$ 575,628</u>	<u>\$ 416,925</u>	<u>\$ 177,007</u>	<u>\$ 157,936,226</u>
LIABILITIES									
Accounts payable	\$ 4,268,995	\$ 78,316	\$ 11,024		\$ 4,667,335				\$ 9,025,670
Accrued liabilities	3,659,817	48,669	84,273						3,792,759
Compensated absences payable	668,024								668,024
Due to other funds		5,650,771	605,797	19,778	1,486,370				7,762,716
Due to other governments	859,305								859,305
Due to teachers' retirement system	12,353,858								12,353,858
Due to employees' retirement system	803,195								803,195
Other liabilities	78,239								78,239
Unearned credits: collections in advance	1,493,153	951,267	472,059		244				2,916,723
Total Liabilities	<u>24,184,586</u>	<u>6,729,023</u>	<u>1,173,153</u>	<u>\$ 19,778</u>	<u>6,153,949</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>38,260,489</u>
DEFERRED INFLOWS OF RESOURCES									
Lease related	1,481,637								1,481,637
Unavailable revenues	382,004								382,004
Total Deferred Inflows of Resources	<u>1,863,641</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,863,641</u>
FUND BALANCES (DEFICIT)									
Non-spendable									
Inventories			125,494						125,494
Scholarships								177,007	177,007
Restricted:									
Debt Service				1,152,081					1,152,081
Capital					1,223,537				1,223,537
Unspent bond proceeds					13,283,202				13,283,202
Unemployment Insurance	2,505,509								2,505,509
Employee Benefit Accrued Liability	15,235,694								15,235,694
Workers' Compensation	11,829,342								11,829,342
Retirement Contribution- ERS	26,081,299								26,081,299
Retirement Contribution- TRS	4,238,547								4,238,547
Scholarships							416,925		416,925
Assigned	4,674,918		1,660,231		23,747,267	575,628			30,658,044
Unassigned	10,885,415								10,885,415
Total Fund Balances	<u>75,450,724</u>	<u>-0-</u>	<u>1,785,725</u>	<u>1,152,081</u>	<u>38,254,006</u>	<u>575,628</u>	<u>416,925</u>	<u>177,007</u>	<u>117,812,096</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 101,498,951</u>	<u>\$ 6,729,023</u>	<u>\$ 2,958,878</u>	<u>\$ 1,171,859</u>	<u>\$ 44,407,955</u>	<u>\$ 575,628</u>	<u>\$ 416,925</u>	<u>\$ 177,007</u>	<u>\$ 157,936,226</u>

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2023

Total Governmental Fund Balances	\$ 117,812,096
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Amounts reported for governmental activities in
the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Capital assets - non-depreciable	\$ 48,559,330	
Capital assets - depreciable	225,321,924	
Accumulated depreciation	<u>(98,873,232)</u>	175,008,022

Certain amounts reported for the deferred outflows of the District's
other postemployment benefits and proportionate share of the
net pension liabilities are not considered current available
resources and are, therefore, not reported in the funds.

OPEB - deferred outflows	37,279,987	
Pensions - deferred outflows	<u>72,338,352</u>	109,618,339

Current and long-term liabilities are not due and payable in
the current period and, therefore, are not reported in the funds:

Accrued interest payable	(79,339)	
Retainage payable	(704,347)	
General obligation bonds payable	(54,985,000)	
Unamortized bond premium	(5,223,724)	
Finance purchase agreements payable	(1,084,217)	
Installment purchase debt	(1,803,923)	
Other postemployment benefits payable	(250,831,976)	
Compensated absences payable	(16,202,754)	
Workers' compensation claims payable	<u>(3,254,605)</u>	(334,169,885)

Revenue that was deferred on the fund statements because it
does not meet the availability criteria under the modified
accrual basis of accounting is not deferred in the statement
of net position.

382,004

Certain amounts reported for the proportionate share of the District's
pension liability and/or deferred inflows are not due and payable in
the current period and, accordingly, are not reported in the funds.

Net pension liabilities-proportionate share	(24,815,607)	
OPEB - deferred inflows	(75,360,431)	
Pensions - deferred inflows	<u>(6,663,633)</u>	<u>(106,839,671)</u>

Net Position of Governmental Activities	<u>\$ (38,189,095)</u>
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GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extracurricular Activities	Scholarships	Permanent	Total Governmental Funds
REVENUES									
Real property taxes	\$ 218,526,993								\$ 218,526,993
Other tax items	11,246,487								11,246,487
Charges for services	5,207,903					\$ 1,180,734			6,388,637
Use of money and property	4,768,179		\$ 85,895	\$ 648,962			\$ 14,578		5,517,614
Sale of property and compensation for loss	320,138								320,138
State aid	10,990,494	\$ 2,331,356	40,022		\$ 150,000				13,511,872
Sales - school food service			2,036,270						2,036,270
Miscellaneous	1,506,302	495,238	23,570		345		53,506		2,078,961
Federal aid	99,254	3,994,413	1,079,958						5,173,625
Surplus food			262,133						262,133
Total Revenues	252,665,750	6,821,007	3,527,848	648,962	150,345	1,180,734	68,084	\$ -0-	265,062,730
EXPENDITURES									
General support	31,547,908								31,547,908
Instruction	131,546,438	8,138,815				1,143,516			140,828,769
Pupil transportation	15,630,020								15,630,020
Community service	717,889	333,260							1,051,149
Employee benefits	58,126,806								58,126,806
Debt service:									
Principal	1,377,869			2,201,000					3,578,869
Interest	104,892			2,098,153					2,203,045
Cost of sales			3,435,637						3,435,637
Scholarship and awards							92,601		92,601
Capital outlay					16,671,360				16,671,360
Total Expenditures	239,051,822	8,472,075	3,435,637	4,299,153	16,671,360	1,143,516	92,601	-0-	273,166,164
Excess (Deficiency) of Revenues Over Expenditures	13,613,928	(1,651,068)	92,211	(3,650,191)	(16,521,015)	37,218	(24,517)	-0-	(8,103,434)
OTHER FINANCING SOURCES AND (USES)									
Proceeds from finance purchase agreements					657,900				657,900
Operating transfers in	20,226	1,651,068	10,579	4,299,153	6,946,158		137,910		13,065,094
Operating transfers (out)	(12,906,958)			(19,778)	(448)			(137,910)	(13,065,094)
Total Other Sources (Uses)	(12,886,732)	1,651,068	10,579	4,279,375	7,603,610	-0-	137,910	(137,910)	657,900
Net Changes in Fund Balances	727,196	-	102,790	629,184	(8,917,405)	37,218	113,393	(137,910)	(7,445,534)
Fund Balance - Beginning of Year	74,723,528	-0-	1,682,935	522,897	47,171,411	538,410	303,532	314,917	125,257,630
Fund Balance - End of Year	\$ 75,450,724	\$ -0-	\$ 1,785,725	\$ 1,152,081	\$ 38,254,006	\$ 575,628	\$ 416,925	\$ 177,007	\$ 117,812,096

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds \$ (7,445,534)

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

Long-term revenue and expense differences

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.

Compensated absences payable	269,418	
Workers' compensation claims payable	563,309	

In the Statement of Activities, certain revenues are recognized when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in the prior year when they were earned.		(30,091)
--	--	----------

Pension differences

(Increases)/decreases in the proportionate share of net pension assets/liabilities and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	\$ (3,639,929)	
Employees' Retirement System	(2,397,625)	(6,037,554)

Other postemployment benefit (OPEB) differences

(Increases)/decreases in the District's total OPEB liability and related deferred inflows and outflows do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		(8,754,031)
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Capital related differences

Governmental funds report capital outlays as expenditures while in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives as depreciation expense:

Capital Outlay	17,304,444	
Depreciation expense	(5,411,645)	11,892,799

Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. Retainage payable increased from the prior year by:		(108,096)
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The net effect of capital asset disposals resulted in a decrease in net position.		(10,011)
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Long-term debt transaction differences

Interest on long-term debt in the Statements of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2022 to June 30, 2023.

3,188

The amortization of the deferred premium on the bonds, decreases interest expense in the Statement of Activities	313,996	317,184
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Repayment of bond principal, finance purchase agreements, and installment purchase debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds from the issuance of debt and finance purchase agreements provides current financial resources to the governmental funds, but incurring debt increases long-term liabilities in the Statement of Net Position.

Proceeds from finance purchase agreements	(657,900)	
Repayment of bond principal	2,201,000	
Repayment of finance purchase agreements	528,145	
Repayment of installment purchase debt principal	849,724	2,920,969

Change in Net Position of Governmental Activities		<u>\$ (6,421,638)</u>
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See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	<u>Custodial</u>
ASSETS	
Cash	
Unrestricted	\$ -
Total Assets	\$ -
LIABILITIES	
Other liabilities	\$ -
Total Liabilities	\$ -
NET POSITION	
Net position	\$ -

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for the Library	\$ 9,493,125
PILOT collections for the Library	<u>128,392</u>
Total Additions	<u>9,621,517</u>
DEDUCTIONS	
Disbursements of real property taxes to the Library	9,493,125
Disbursements of PILOT to the Library	<u>128,392</u>
Total Deductions	<u>9,621,517</u>
Change in Net Position	-0-
Net Position - Beginning of Year	<u>-0-</u>
Net Position - End of Year	<u><u>\$ -0-</u></u>

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Great Neck Union Free School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for governmental units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have the authority to make decisions, appoint management, and are ultimately responsible for all fiscal matters.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

B. Joint Venture

The District is one of many participating school districts in the Board of Cooperative Educational Services of Nassau, ("BOCES"). BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES participant.

BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their participating member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under § 119-n(a) of the General Municipal Law ("GML"). A BOCES' budget is composed of separate budgets for administrative, program, and capital costs. Each participating district's share of administrative and capital cost is determined by resident public school district enrollment as defined in New York State Education Law, §1950(4)(b)(7). In addition, participating school districts pay tuition or a service fee for programs in which its students participate.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants reflect capital-specific grants, if any.

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The District's financial statements reflect the following major fund categories:

Governmental Funds:

General Fund – This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Special Aid Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds, or by outside parties.

School Food Service Fund – This fund is used to account for the activities of the school food service programs.

Extraclassroom Activities Fund – This fund is used to account for the funds operated by and for the students of the District.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements (continued)

Scholarships Fund – This fund is used to account for the funds collected that benefit annual third-party awards and scholarships for students.

Permanent Fund – This fund is used to account for endowment scholarship funds collected that benefit scholarships for students.

Debt Service Fund – This fund accounts for the accumulation of resources that are restricted for the payment of principal and interest on general long-term debt obligations.

Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition, construction, or major repair of capital facilities.

Fiduciary Funds – These funds are used to account for activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used. The following are the District's fiduciary funds:

Custodial Fund – This fund is used to account for real property taxes and payments in lieu of taxes (PILOT) collected and disbursed on behalf of other governments.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting and Measurement Focus

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, state aid, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs, and other postemployment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital asset acquisitions and capital leases are reported as other financing sources.

E. Real Property Taxes and Other Tax Items

Real property taxes are levied annually by the Board no later than August 1st and become a lien on October 1st. Taxes are collected by the Town of North Hempstead and remitted to the District from November to June.

Uncollected real property taxes are enforced by of the County of Nassau in June. As a result, the District is assured of receiving 100% of its property tax levy.

School Tax Relief (STAR) Aid

New York State implemented the STAR program with enactment Chapter 389 of the Laws of 1997 to reduce the school property tax burden on residential homeowners. A school district's annual property tax levy as adopted is reduced by the total amount of the STAR exemptions granted to homeowners. School districts are reimbursed for this loss in property tax revenues by the state with STAR aid, which is reported as other tax items revenues.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Payments in Lieu of Taxes (PILOT)

The District reports PILOT revenues in the general fund as part of other tax items revenues. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the Town and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected payments to the District.

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$3,949,877 in LIPA PILOT revenue during the 2022-2023 fiscal year.

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, revenues and expenditures activity.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Use of Estimates

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

J. Cash and Cash Equivalents/Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation ("FDIC")-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are reported at fair value, more specifically described in Note 4.

K. Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

L. Leases

Lessor

The District is a lessor for noncancellable leases of buildings and land. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Leases (continued)

Lessor (continued)

Key estimates and judgements related to leases include (1) the discount rate, (2) the lease term and (3) lease payments. The District uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

M. Inventories

Inventories of food in the school food service fund are recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. These inventories are accounted for on the consumption method. Under the consumption method, a current asset for inventories is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods are consumed.

Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

N. Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 15,000	Straight line	50 years
Site improvements	\$ 15,000	Straight line	20 years
Furniture and equipment	\$ 5,000	Straight line	5-20 years

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Deferred Outflows/Inflows of Resources

The Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. These items are related to pensions and other postemployment benefits reported in the district-wide Statement of Net Position. They represent the effect of the net change in the District's proportion of the collective net pension asset (TRS and ERS Systems), the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and the differences between expected and actual experience and changes in assumptions in the net pension assets and other postemployment benefits and the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. See Note 12 and Note 14.

The Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue/expense credits) until that time. Deferred inflows of resources include deferred inflows relating to the leases. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease. In this category, the District reports items related to pensions that consist of differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments and changes in proportion differences between the District's contributions and its proportionate share of contributions. In addition on the governmental balance sheet deferred inflows of resources includes unavailable revenues when potential revenues do not meet the availability criteria for recognition in the current period.

P. Unearned Revenue

Unearned revenue arises when resources are received by the District before it has a legal claim to them, as when program monies are received prior to the start of the program. In subsequent periods, when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

Q. Employee Benefits

Compensated Absences

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

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation or death, employees may be eligible to receive a portion of the value of unused accumulated sick leave. Certain collective bargaining agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within required time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination or death.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Employee Benefits (continued)

Compensated Absences (continued)

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

In the fund statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

R. Other Benefits

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State and Local Employees' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the general fund, in the year paid. Other postemployment benefits are measured and disclosed using the accrual basis of accounting in the district-wide financial statements. See Note 14.

S. Short-Term Debt

The District may issue revenue anticipation notes ("RAN") and tax anticipation notes ("TAN"), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. No RANs or TANs were issued or outstanding during the year ended June 30, 2023.

The District may issue bond anticipation notes ("BAN"), in anticipation of proceeds from the subsequent issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. No BANs were issued or outstanding during the year ended June 30, 2023.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due and payable within one year or due and payable after one year in the Statement of Net Position.

U. Equity Classifications

District-Wide Statements

In the district-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisitions, construction, and improvements of those assets, net of any unexpended proceeds.

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

Unrestricted net position - reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Fund Statements

In the fund statements, there are four classifications of fund balance:

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form, not available within a year, or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventories recorded in the school food service fund, and nonexpendable scholarships which are recorded in the permanent fund.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications (continued)

Fund Statements (continued)

Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of borrowing, and borrowing premiums can be recorded as amounts restricted for debt service. This reserve is accounted for in the debt service fund.

Capital

According to Education Law §3651, this reserve must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the capital projects fund.

Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balances because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Unemployment Insurance

The unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefit, primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation time, due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications (continued)

Workers' Compensation

According to General Municipal Law §6-j, this reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

Retirement Contribution

The retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions, payable to the New York Teachers' Retirement System and the New York State and Local Employees' Retirement System. The reserve must be accounted for separate and apart from all other funds and a detail report of the operations and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. This reserve is accounted for in the general fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year.

The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

Scholarships

Amounts restricted from scholarships are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted for in the scholarships fund.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes but are not restricted. Assigned fund balance includes an amount appropriated to partially fund the subsequent years budget, as well as encumbrances reported in the general fund. This classification also includes the remaining, positive fund balance for all governmental funds except for the general fund.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications (continued)

Unassigned - Includes all other general fund amounts that do not meet the definition of the above three classifications and are deemed to be available for general use by the District. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

V. Future Changes in Accounting Standards

The following statements have been issued by the Governmental Accounting Standards Board (GASB) and are to be implemented in future years:

Statement No. 99, "Omnibus 2022", was issued to enhance comparability in accounting and financial reporting and consistency of authoritative language on various topics. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024.

Statement No. 100, "Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62", this Statement has been issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2024.

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 the District's fiscal year ending June 30, 2025.

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.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

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

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "measurable and available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences and workers' compensation.

Pension Differences

Pension differences occur as a result of recognizing pension costs under the modified accrual basis of accounting (whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan) versus the accrual basis of accounting (whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan).

Other Postemployment Benefit (OPEB) Differences

Other postemployment benefit (OPEB) differences occur as a result of changes in the District's total OPEB liability and OPEB expense.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (continued)

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Supplemental appropriations during the year included gifts and donations of \$10,094 to fund instructional expenditures.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgets (continued)

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

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

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

Restricted cash represents cash and cash equivalents where use is limited by legal requirements.

All of the Districts' aggregate bank balances were covered by Federal deposit insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3A, 5-G, §119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of June 30, 2023 are \$8,471,668,129 which consisted of \$2,530,081,947 in repurchase agreements, \$4,872,964,329 in U.S. Treasury Securities and \$1,068,621,853 in collateralized bank deposits, with various interest rates and due dates.

Investment pool assets are reported as cash as follows:

Fund	Carrying Amount
General Fund	\$ 13,540,805
School Food Service Fund	1,147,615
Capital Projects Fund	22,674,672
Scholarships Fund	276,825
Permanent Fund	177,007
	<u>\$ 37,816,924</u>

The above amounts represent the market value of the investment pool shares. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System ("CLASS") which can be found on its website at www.newyorkclass.org.

5. PARTICIPATION IN BOCES

During the year ended June 30, 2023, the District was billed \$9,624,396 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$866,968. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

6. DUE FROM STATE AND FEDERAL AID

Due from state and federal aid at June 30, 2023, consisted of:

General Fund:	
NYS Excess Cost Aid	\$ 554,314
NYS General Aid	256,280
NYS Department of Labor	312,920
NYS Transportation Aid	11,051
	<u>1,134,565</u>
Special Aid Fund:	
Federal and State Grants	1,908,119
School Food Service Fund:	
Federal and State	
School Food Service Reimbursements	<u>69,242</u>
Total Due From State and Federal	<u>\$ 3,111,926</u>

District management expects these amounts to be fully collectible.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

7. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2023, consisted of:

General Fund:	
NYS - Medicaid billing	\$ 41,308
Receiver of taxes -interest	134,120
BOCES	390,157
Other Districts	2,768,044
Nassau County - PILOT	10,948
	<u>\$ 3,344,577</u>

District management expects these amounts to be fully collectible.

8. LEASES RECEIVABLE

The District reports leases receivable and related deferred inflows of resources of \$1,524,767 and \$1,481,637, respectively, at June 30, 2023. For 2023, the District reported lease revenue of \$304,610 and interest revenue of \$11,826 related to lease payments received. These leases are summarized as follows:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Grace Avenue School	\$ 264,927	\$ 263,394	\$ 60,783	\$ 1,896
Grace Avenue School Social Center	358,113	356,040	82,163	2,563
Parkville Annex	901,727	862,203	161,664	7,367
	<u>\$ 1,524,767</u>	<u>\$ 1,481,637</u>	<u>\$ 304,610</u>	<u>\$ 11,826</u>

The District entered into a lease agreement with CLASP Children's Center, Inc. that commenced November 1, 1982 for the use of a portion of one of the District's schools. Based on this agreement, the District is receiving monthly payments through October 31, 2017. This lease agreement was amended on May 15, 2019 to extend the term of the lease through October 31, 2027.

The District entered into a lease with agreement with Great Neck Senior Citizens Center, Inc. that commenced November 1, 1982 for the use of a portion of one of the District's schools. Based on this agreement, the District is receiving monthly payments through October 31, 2017. This lease agreement was amended on May 15, 2019 to extend the term of the lease through October 31, 2027.

The District entered into a lease agreement with the Board of Trustees of the Great Neck Library for a term of 10 years that commenced on November 1, 1998 for the use of three rooms of one of the District's buildings. The lease agreement includes the option to renew the lease for an additional 10 years, if mutually agreed upon. Based on this agreement, the District is receiving monthly payments through October 31, 2018. This lease agreement was amended on October 15, 2018 to extend the term of the lease through October 31, 2028.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

9. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Balance July 1, 2022	Additions	Retirements/ Reclassifications	Balance June 30, 2023
Capital assets that are not depreciated:				
Land	\$ 2,798,112			\$ 2,798,112
Construction in progress	47,663,950	\$ 13,390,827	\$ (15,293,559)	45,761,218
Total nondepreciable assets	50,462,062	13,390,827	(15,293,559)	48,559,330
Capital assets that are depreciated:				
Buildings and improvements	150,260,890	15,523,035		165,783,925
Site improvements	23,756,337	1,364,122		25,120,459
Furniture and equipment	32,709,459	2,320,019	(611,938)	34,417,540
Total depreciable assets	206,726,686	19,207,176	(611,938)	225,321,924
Less accumulated depreciation:				
Buildings and improvements	67,775,759	2,688,418		70,464,177
Site improvements	7,206,618	852,145		8,058,763
Furniture and equipment	19,081,137	1,871,082	(601,927)	20,350,292
Total accumulated depreciation	\$ 94,063,514	\$ 5,411,645	\$ (601,927)	98,873,232
Total capital assets, net				\$ 175,008,022

Depreciation expense was charged to governmental functions as follows:

General support	\$ 1,817,369
Instruction	3,414,227
Pupil transportation	55,294
Community services	5,564
School food service program	119,191
Total governmental activities depreciation expense	\$ 5,411,645

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2023, the District has not recorded any such impairment losses.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

10. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2023, are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 7,115,322		\$ 20,226	\$ 12,906,958
Special Aid Fund		\$ 5,650,771	1,651,068	
School Food Service Fund		605,797	10,579	
Debt Service Fund	647,394	19,778	4,299,153	19,778
Capital Projects Fund		1,486,370	6,946,158	448
Scholarships Fund			137,910	
Permanent Fund				137,910
	<u>\$ 7,762,716</u>	<u>\$ 7,762,716</u>	<u>\$ 13,065,094</u>	<u>\$ 13,065,094</u>

Interfund receivables and payable are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

The District typically transfers from the general fund to the special aid fund, school food service fund, debt service fund, and the capital projects fund in accordance with the general fund budget. The transfer to the special aid fund was for the District's share of the cost for the summer handicapped, state supported Section 4201 schools, pre-k and integrated programs. The transfer to the school food service fund was to reimburse the school food service fund for unpaid student meals balances in accordance with state regulations. The transfer to the debt service fund was for the repayment of principal and interest on outstanding bond indebtedness. The transfer to the capital projects fund was for district-wide improvements per the approved budget. The transfer to the general fund from the capital projects fund was to move unspent funds from completed projects back to the general fund. The transfer from the debt service fund to the general fund was for interest earnings from bonds paid off in prior years. The transfer from the permanent fund to the scholarships fund was due to funds being released from restriction.

11. LONG-TERM DEBT

Long-term liability balances and activities for the year are summarized below:

	Beginning balance	Additions	Reductions	Ending balance	Non-current liabilities due and payable within one year	Non-current liabilities due and payable after one year
Long-term debt:						
General obligation bonds	\$ 57,186,000	\$ -	\$ 2,201,000	\$ 54,985,000	\$ 2,310,000	\$ 52,675,000
Add: Premiums on obligations	5,537,720		313,996	5,223,724	313,996	4,909,728
	<u>62,723,720</u>	<u>-</u>	<u>2,514,996</u>	<u>60,208,724</u>	<u>2,623,996</u>	<u>57,584,728</u>
Finance purchase agreements	954,462	657,900	528,145	1,084,217	458,097	626,120
Installment purchase debt (energy performance contract)	2,653,647		849,724	1,803,923	884,086	919,837
Other postemployment benefits	242,436,358	17,162,695	8,767,077	250,831,976		250,831,976
Compensated absences	16,472,172	527,770	797,188	16,202,754	810,138	15,392,616
Workers' compensation claims payable	3,817,914	334,269	897,578	3,254,605	152,372	3,102,233
Net pension liability - proportionate share	-	24,815,607		24,815,607	-	24,815,607
Total non-current liabilities	<u>\$ 329,058,273</u>	<u>\$ 43,498,241</u>	<u>\$ 14,354,708</u>	<u>\$ 358,201,806</u>	<u>\$ 4,928,689</u>	<u>\$ 353,273,117</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

11. LONG-TERM DEBT (continued)

The general fund is used to liquidate long-term liabilities such as compensated absences, workers' compensation claims, and other postemployment benefits when they become due.

Existing serial bond obligations:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/23
Serial Bond	June 2019	June 2039	2.75-5.00%	\$ 29,955,000
Serial Bond	June 2020	June 2040	2.00-5.00%	8,205,000
Serial Bond	June 2021	June 2041	2.00-5.00%	10,805,000
Serial Bond	June 2022	June 2042	4.00-5.00%	6,020,000
				<u>\$ 54,985,000</u>

The following is a summary of debt service requirements for the serial bond obligations:

	Principal	Interest	Total
Year ending June 30, 2024	\$ 2,310,000	\$ 1,997,775	\$ 4,307,775
2025	2,425,000	1,882,275	4,307,275
2026	2,540,000	1,761,025	4,301,025
2027	2,670,000	1,634,025	4,304,025
2028	2,805,000	1,500,525	4,305,525
2029-2033	15,960,000	5,545,075	21,505,075
2034-2038	18,865,000	2,625,613	21,490,613
2039-2042	7,410,000	366,162	7,776,162
Totals	<u>\$ 54,985,000</u>	<u>\$ 17,312,475</u>	<u>\$ 72,297,475</u>

The District is amortizing bond premiums. The amortization is netted against the bonds payable and is calculated on a straight-line basis over the respective bond terms, as applicable. The future net amortization is as follows:

Year ended June 30, 2024	\$ 313,996
2025	313,996
2026	313,996
2027	313,996
2028	313,996
2029-2033	1,569,980
2034-2038	1,569,980
2039-2042	513,784
Total	<u>\$ 5,223,724</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

11. LONG-TERM DEBT (continued)

Interest on long-term debt for the year ended June 30, 2023 was comprised of:

Interest paid	\$ 2,203,045
Less: interest accrued in the prior year	(82,527)
Less: amortization of premium	(313,996)
Plus: interest accrued in the current year	79,339
Total interest expense on long-term debt	<u>\$ 1,885,861</u>

The District has purchased various iPads that are being financed between four to five years at interest rates ranging from 0.59% to 1.57%. The assets and related obligations are accounted for in the district-wide financial statements and are included in the summary for finance purchase agreements. See Note 8. The cost of the equipment that was capitalized, which is included in furniture and equipment, is \$2,263,055 and accumulated depreciation as of June 30, 2023 is \$1,001,794.

The following is a summary of finance purchase agreement requirements:

	<u>Total</u>
2024	\$ 464,578
2025	315,926
2026	315,926
Total minimum payments	1,096,430
Less amounts representing interest	12,213
	<u>\$ 1,084,217</u>

The District entered into an installment purchase agreement to finance its energy performance contract in July 2007, which provides for equal semiannual payments including interest at 4.003%, with a final payment in June 2025.

The following is a summary of installment purchase debt obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30, 2024	\$ 884,086	\$ 63,463	\$ 947,549
2025	919,837	27,712	947,549
Totals	<u>\$ 1,803,923</u>	<u>\$ 91,175</u>	<u>\$ 1,895,098</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS

A. Pension Obligations

New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement ("TRS") (the "System(s)").

B. Plan Descriptions And Benefits Provided

Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System. This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL").

Once a public employer elects to participate in the System, 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 District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York.

The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, 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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial Report ("CAFR") which can be found on the System's website at www.nystrs.org.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who contribute 3.0 ERS to 3.5 TRS percent of their salary for their entire length of service. In addition, employees that joined after April 1, 2012 are required to contribute between 3% and 6% depending on their salary through active membership. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. The District's contribution rate was 9.80% of covered payroll for the TRS' fiscal year ended June 30, 2022. The District's average contribution rate was 11.40% of covered payroll for the ERS' fiscal year ended March 31, 2023.

The District's share of required contributions, based on covered payroll for the District's year ended June 30, 2023 was \$11,202,891 for TRS, at the contribution rate of 10.29%, and \$2,779,680 for ERS at an average contribution rate of 10.89%.

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) were measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 13,354,479	\$ 11,461,128
District's portion of the Plan's total net pension liability	0.0622760%	0.597279%
Change in proportion since the prior measurement date	-0.0032542	-0.029249

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

For the year ended June 30, 2023, the District's recognized pension expense of \$5,175,342 for ERS and \$14,838,267 for TRS. At June 30, 2023, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 1,422,356	\$ 12,009,811	\$ 375,044	\$ 229,661
Changes of assumptions	6,485,796	22,232,649	71,680	4,616,866
Net difference between projected and actual earnings on pension plan investments		14,808,864	78,457	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,332,765	2,040,025	299,551	992,374
District's contributions subsequent to the measurement date	803,195	11,202,891		
Total	<u>\$ 10,044,112</u>	<u>\$ 62,294,240</u>	<u>\$ 824,732</u>	<u>\$ 5,838,901</u>

The District's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ending June 30, 2024	\$ 2,146,887	\$ 8,860,789
2025	(402,584)	4,645,745
2026	2,957,613	(1,708,253)
2027	3,714,269	29,225,384
2028	-0-	3,889,755
Thereafter	-0-	339,028
	<u>\$ 8,416,185</u>	<u>\$ 45,252,448</u>

E. Actuarial Assumptions

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

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

E. Actuarial Assumptions

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
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.9%	2.4%
Cost of living adjustment	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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 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 the arithmetic real rates of return for each major asset class included in the target asset allocation, as of the actuarial valuation date, are summarized in the following table:

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

E. Actuarial Assumptions (continued)

	ERS		TRS	
	Target Allocation	Long-term Expected Rate of Return *	Target Allocation	Long-term Expected Rate of Return *
Measurement date		March 31, 2023		June 30, 2022
Asset type				
Domestic equity	32.0%	4.30%	33.0%	6.50%
International equity	15.0%	6.85%	16.0%	7.20%
Global equity			4.0%	6.90%
Private equities	10.0%	7.50%	8.0%	9.90%
Real estate	9.0%	4.60%	11.0%	6.20%
Absolute return strategies*	3.0%	5.38%		
Real assets	3.0%	5.84%		
Bonds and mortgages	23.0%	1.50%		
Cash	1.0%			
Credit	4.0%	5.43%		
Domestic fixed income securities			16.0%	1.10%
Global bonds			2.0%	0.60%
High yield bonds			1.0%	3.30%
Private debt			2.0%	5.30%
Real estate debt			6.00%	2.40%
Cash and equivalents			1.00%	-0.30%
	<u>100.0%</u>		<u>100.0%</u>	

Real rates of return are net of the long-term inflation assumptions of 2.4% (TRS) and of 2.5% (ERS).

*Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% 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 the assumptions, the Systems' fiduciary net positions were 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.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability (asset)	\$ 32,272,047	\$ 13,354,479	\$ (2,453,350)
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability (asset)	\$ 105,676,969	\$ 11,461,128	\$ (67,773,777)

H. Pension Plan Fiduciary Net Position

The components of the current-year pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan Fiduciary Net Position	211,183,223	131,964,582
Employers' net pension liability	<u>\$ 21,444,036</u>	<u>\$ 1,918,892</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	90.78%	98.57%

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

12. PENSION PLANS (continued)

I. PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$803,195.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. 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 covered wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$11,202,891 of employer contributions and \$1,150,967 of employee contributions.

13. OTHER PENSION PLANS

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2023, totaled \$1,150,513 and \$7,997,724, respectively.

B. Deferred Compensation Plan

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

The amount deferred by eligible employees for the year ended June 30, 2023 totaled \$1,067,031.

14. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The District, established a single-employer defined benefit OPEB plan for its employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

14. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

B. Benefits Provided

Medical coverage, including prescription drugs as part of the medical plan, is offered to retirees on a fully insured basis through the New York State Health Insurance Program (NYSHIP, the Empire Plan) and HIP. Retirement is available, if the employee has obtained the age of 55 and completed 5 years of service (10 for the Assistant Superintendent) with Great Neck School District. The District will also reimburse the full premium costs for Medicare part B payments. This contract will be renegotiated at various times in the future. Healthcare benefits for non-union employees are similar to those of union employees. Upon death of a retiree, the District will continue the Medicare part B reimbursement for the non-remarried spouse. Subsidized medical coverage for the non-remarried spouse will only be for three (3) months and then they pay 100% of the cost thereafter.

For retirees, the contribution rate is 50% of premium for single coverage and 65% for dependent coverage.

C. Employees Covered by Benefit Terms

The number of participants as of July 1, 2023, the effective date of the OPEB valuation, is as follows:

	<u>Participants</u>
Active employees	1,124
Inactive employees or beneficiaries currently receiving benefits	<u>815</u>
Total	<u>1,939</u>

There have been no significant changes in the number of participants or the type of coverage since that date.

D. Total OPEB Liability

The District's total OPEB liability of \$250,831,976 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022, with update procedures used to roll forward the OPEB liability to the measurement date.

E. Funding Policy

The District currently pays for other postemployment benefits on a pay-as-you-go basis.

F. Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

14. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Actuarial Assumptions and Other Inputs (continued)

The total OPEB liability in the July 1, 2022 valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	3.00%
Discount rate	4.00%
Healthcare cost trend rates	
Pre-65	7.0% for January 1, 2023, decreasing per year to an ultimate rate of 4.5% in 2034
Post-65	7.0% for January 1, 2023, decreasing per year to an ultimate rate of 4.5% in 2034

The discount rate was based on an average of two 20-year bond indices (e.g. S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GO AA 20 Years) as of June 30, 2023. The average discount rate is 4.00%, which is a change from the prior valuation discount rate of 3.77%.

Mortality rates were based on the Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality Tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

The decrement tables used for this valuation are based on the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The current valuation reflects tables released in 2020 for ERS and 2021 for TRS.

In the July 1, 2022 actuarial valuation, the liabilities were computed using the entry age normal method, using the level percentage of payroll method on an open basis to amortize the initial unfunded liability.

The following table shows the components of the District's other postemployment benefits liability:

	Total OPEB Liability
Balance at June 30, 2022	\$ 242,436,358
Changes for the year:	
Service cost	7,596,376
Interest on total OPEB liability	9,566,319
Changes of assumptions or other inputs	(2,210,286)
Benefit payments	(6,556,791)
Net Changes	8,395,618
Balance at June 30, 2023	<u>\$ 250,831,976</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

14. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Changes in the Total OPEB Liability

The changes of assumptions or other inputs reflects the change in the discount rate from 3.77% to 4.00%.

H. Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	One Percent Decrease (3.00%)	Current Discount Rate (4.00%)	One Percent Increase (5.00%)
Total OPEB liability	\$ 301,273,328	\$ 250,831,976	\$ 211,813,475

I. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	One Percent Decrease (6.0% to 3.5%)	Healthcare Cost Trend Rates (7.0% to 4.5%)	One Percent Increase (8.0% to 5.5%)
Total OPEB liability	\$ 206,491,832	\$ 250,831,976	\$ 310,252,497

J. OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$15,310,822. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 37,279,987	\$ (75,360,431)

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

For the years ending June 30, 2024	\$ (1,851,873)
2025	\$ (3,781,226)
2026	(10,111,763)
2027	(15,701,175)
2028	(6,301,221)
Thereafter	(333,186)
	<u>\$ (38,080,444)</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

15. COMPENSATED ABSENCES

District employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave, subject to certain limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the Statement of Net Position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of June 30, 2023, the value of the accumulated vacation time and sick leave was \$16,870,778, of which \$668,024 is accrued in the general fund.

16. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

The District has established a self-insured plan for risks associated with workers' compensation claims. 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 an amount for claims that were incurred but not reported ("IBNR") as of year-end. The actuarial assumptions utilized a 3% discount rate.

	2023	2022
Unpaid claims at beginning of year	\$ 3,817,914	\$ 3,546,036
Incurred claims and claim adjustments	334,269	1,268,946
Claim payments	(897,578)	(997,068)
Unpaid claims at year end	<u>\$ 3,254,605</u>	<u>\$ 3,817,914</u>

17. FUND BALANCES – ASSIGNED: APPROPRIATED FOR SUBSEQUENT YEAR'S BUDGET

The amount of \$4,175,007 has been assigned as the amount to be appropriated to reduce taxes for the year ending June 30, 2024.

18. FUND BALANCES - RESTRICTED - APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2023 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2024:

Employee Benefit Accrued Liability	\$ 1,040,750
Workers' Compensation	1,350,000
Retirement Contribution- ERS	3,041,056
Retirement Contribution- TRS	<u>4,000,000</u>
	<u>\$ 9,431,806</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

19. COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

General

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

C. Encumbrances

At June 30, 2023, the District encumbered the following amounts:

	<u>General</u>	<u>Capital Projects</u>
Restricted:		
Capital Projects		\$ 13,567,588
Assigned:		
General Support	\$ 329,961	
Instruction	169,209	
Pupil Transportation		
Community Services	741	
Employee Benefits		
Capital Projects		<u>7,304,454</u>
Total Encumbrances	<u>\$ 499,911</u>	<u>\$ 20,872,042</u>

GREAT NECK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

20. RESTRICTED FOR CAPITAL RESERVE

The following is a summary of the District's restricted capital reserve activity since inception:

Date Created	May 2016
Number of Years to Fund	10
Maximum Funding	<u>\$ 19,000,000</u>
General Fund	
Funding Provided Since Inception	\$ 19,000,000
Interest Earnings Since Inception	6,997
Use of Reserve Since Inception	<u>(19,006,997)</u>
Total General Fund	<u>-0-</u>
Capital Projects Fund	
Funding Provided Since Inception	19,006,997
Use of Reserve Since Inception	<u>(17,783,460)</u>
Total Capital Projects Fund at June 30, 2023	<u>\$ 1,223,537</u>

21. TAX ABATEMENTS

The District is subject to tax abatements granted by the Nassau County Industrial Development Agency ("NCIDA"), an entity created as a New York State public benefit corporation. The NCIDA was established by Code Section 922, which became Chapter 674 of the Laws of 1975. The NCIDA offers several abatement programs on certain qualified projects to promote, retain, attract and encourage sound commerce and an industry base to prevent unemployment. Generally, a qualified project is an applicant submitted project which meets certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of NCIDA bonds, notes or other evidences of indebtedness with respect thereto or 2) is a straight lease transaction which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, as a condition of providing assistance, may require that the benefiting company remit a payment in lieu of taxes ("PILOT") payment to offset the amount of taxes abated. The NCIDA is authorized to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. In the case of the District, NCIDA granted abatements have resulted in reductions of property taxes, which is administered as a temporary reduction in the assessed value of the property involved. For the year ended June 30, 2023, the amount of District property tax abated was \$7,061,273 and the payment in lieu of taxes received was \$2,946,787.

22. SUBSEQUENT EVENT

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

GREAT NECK UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual		Variance With Final Budget
REVENUES					
Local Sources					
Real property taxes	\$ 222,658,679	\$ 218,442,975	\$ 218,526,993	\$	84,018
Other tax items	6,776,942	10,992,646	11,246,487		253,841
Charges for services	5,173,700	5,173,700	5,207,903		34,203
Use of money and property	860,027	860,027	4,768,179		3,908,152
Sale of property and compensation for loss	17,000	17,000	320,138		303,138
Miscellaneous	260,500	270,594	1,506,302		1,235,708
Total Local Sources	235,746,848	235,756,942	241,576,002		5,819,060
State aid	10,822,541	10,822,541	10,990,494		167,953
Federal aid	40,000	40,000	99,254		59,254
Total Revenues	246,609,389	246,619,483	252,665,750		6,046,267
OTHER FINANCING SOURCES					
Transfers from other funds	150,000	150,000	20,226		(129,774)
Total Revenues and Other Financing Sources	246,759,389	246,769,483	<u>\$ 252,685,976</u>		<u>\$ 5,916,493</u>
Assigned fund balances	10,594,910	10,594,910			
Appropriated reserves	6,059,225	6,059,225			
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	<u>\$ 263,413,524</u>	<u>\$ 263,423,618</u>			
	Original Budget	Final Budget	Actual	Year-end Encumbrances	Variance With Final Budget and Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 195,108	\$ 205,225	\$ 189,662	\$ -	\$ 15,563
Central administration	399,764	468,168	466,565		1,603
Finance	2,147,965	2,198,358	1,945,233	69,256	183,869
Staff	1,627,314	1,752,469	963,285		789,184
Central services	24,019,010	23,334,186	22,366,882	260,705	706,599
Special items	2,777,342	5,791,846	5,616,281		175,565
Total General Support	31,166,503	33,750,252	31,547,908	329,961	1,872,383
Instruction					
Instruction, administration and improvement	8,282,017	9,509,396	8,731,522	65,540	712,334
Teaching - regular school	74,797,322	75,949,870	74,315,650	11,210	1,623,010
Programs for children with disabilities	40,742,441	37,985,953	36,154,575		1,831,378
Teaching - special school	1,530,411	1,527,238	1,098,981	128	428,129
Instructional media	2,522,948	2,965,427	2,955,085	9,823	519
Pupil services	8,432,708	9,281,447	8,290,625	82,508	908,314
Total Instruction	136,307,847	137,219,331	131,546,438	169,209	5,503,684
Pupil Transportation	16,362,774	16,514,312	15,630,020		884,292
Community Services	808,992	877,242	717,889	741	158,612
Employee Benefits	64,538,639	60,373,874	58,126,806		2,247,068
Debt Service - principal	710,000	1,559,724	1,377,869		181,855
Debt Service - interest	475,000	104,956	104,892		64
Total Expenditures	250,369,755	250,399,691	239,051,822	499,911	10,847,958
OTHER FINANCING USES					
Transfers to other funds	13,043,769	13,023,927	12,906,958		116,969
Total Expenditures and Other Uses	<u>\$ 263,413,524</u>	<u>\$ 263,423,618</u>	<u>251,958,780</u>	<u>\$ 499,911</u>	<u>\$ 10,964,927</u>
Net Change in Fund Balance			727,196		
Fund Balance - Beginning of Year			<u>74,723,528</u>		
Fund Balance - End of Year			<u>\$ 75,450,724</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

GREAT NECK UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
For the Last Six Fiscal Years

Period	Total OPEB Liability - Beginning of the Period	Service cost	Interest on Total OPEB Liability	Differences between expected and actual experience	Changes in benefit terms	Changes of assumptions or other inputs	Benefit payments	Total OPEB Liability - End of the Period	Covered- employee payroll	Total OPEB Liability as a Percentage of Covered- employee Payroll
July 1, 2022 - June 30, 2023	\$ 242,436,358	\$ 7,596,376	\$ 9,566,319	\$ -0-	\$ -0-	\$ (2,210,286)	\$ (6,556,791)	\$ 250,831,976	\$ 108,938,049	230.25%
July 1, 2021 - June 30, 2022	\$ 338,606,587	\$ 4,474,993	\$ 12,650,568	\$ -0-	\$ -0-	\$ (107,200,307)	\$ (6,095,483)	\$ 242,436,358	N/A *	
July 1, 2020 - June 30, 2021	\$ 304,015,603	\$ 7,636,010	\$ 6,292,919	\$ -0-	\$ -0-	\$ 26,500,013	\$ (5,837,958)	\$ 338,606,587	N/A *	
July 1, 2019 - June 30, 2020	\$ 245,370,125	\$ 6,572,568	\$ 5,916,828	\$ -0-	\$ -0-	\$ 51,910,466	\$ (5,754,384)	\$ 304,015,603	\$ 103,673,779	293.24%
July 1, 2018 - June 30, 2019	\$ 221,272,880	\$ 2,842,276	\$ 7,369,331	\$ -0-	\$ -0-	\$ 19,009,334	\$ (5,123,696)	\$ 245,370,125	N/A *	
July 1, 2017 - June 30, 2018	\$ 216,227,799	\$ 2,524,236	\$ 7,481,167	\$ -0-	\$ -0-	\$ -0-	\$ (4,960,322)	\$ 221,272,880	\$ 88,646,594	249.61%

* Not available in interim valuation year

Notes to Schedule:

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

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Changes of assumptions.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2023	4.00%
2022	3.77%
2021	2.09%
2020	2.44%
2019	3.10%
2018	3.50%

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

GREAT NECK UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
For the Last Nine Fiscal Years

NYSERS	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0622760%	0.0655302%	0.0646893%	0.0673596%	0.0705394%	0.0726173%	0.0754953%	0.0816308%	0.0760734%
District's proportionate share of the net pension asset/(liability)	\$ (13,354,479)	\$ 5,356,820	\$ (64,414)	\$ (17,837,219)	\$ (4,997,929)	\$ (2,343,682)	\$ (7,093,710)	\$ (13,101,975)	\$ (2,569,947)
District's covered-employee payroll	25,498,435	23,115,359	22,739,269	22,877,663	22,964,670	23,055,785	23,372,487	24,558,706	23,897,478
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	52.37%	23.17%	0.28%	77.97%	21.76%	10.17%	30.35%	53.35%	10.75%
Plan fiduciary net position as a percentage of the total pension liability coming from plan.	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%
Discount rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
NYSTRS	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.597279%	0.626528%	0.598559%	0.591647%	0.598482%	0.603227%	0.620657%	0.617738%	0.608130%
District's proportionate share of the net pension asset/(liability)	\$ (11,461,128)	\$ 108,571,328	\$ (16,539,818)	\$ 15,371,031	\$ 10,822,130	\$ 4,585,127	\$ (6,647,497)	\$ 64,163,301	\$ 67,741,925
District's covered-employee payroll	107,126,290	107,693,266	102,817,212	100,230,613	99,770,814	96,950,900	97,095,839	94,210,358	91,128,639
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	10.70%	100.82%	16.09%	15.34%	10.85%	4.73%	6.85%	68.11%	74.34%
Plan fiduciary net position as a percentage of the total pension liability coming from plan.	98.57%	113.25%	97.76%	102.16%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

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

GREAT NECK UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
For the Last Ten Fiscal Years

	NYSERS									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,779,680	\$ 3,638,036	\$ 3,316,945	\$ 3,291,585	\$ 3,381,306	\$ 3,484,201	\$ 3,540,358	\$ 4,359,556	\$ 4,256,629	\$ 4,608,380
Contributions in relation to the contractually required contribution	2,779,680	3,638,036	3,316,945	3,291,585	3,381,306	3,484,201	3,540,358	4,359,556	4,256,629	4,608,380
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered-employee payroll	\$ 25,530,350	\$ 23,392,225	\$ 22,785,966	\$ 22,892,933	\$ 22,799,706	\$ 23,030,643	\$ 23,351,504	\$ 24,562,999	\$ 24,520,278	\$ 22,934,381
Contributions as a percentage of covered-employee payroll	10.89%	15.55%	14.56%	14.38%	14.83%	15.13%	15.16%	17.75%	17.36%	20.09%
	NYSTRS									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 11,202,891	\$ 10,368,858	\$ 10,134,385	\$ 9,001,274	\$ 10,487,836	\$ 9,553,626	\$ 11,203,581	\$ 12,699,584	\$ 16,266,550	\$ 14,597,995
Contributions in relation to the contractually required contribution	11,202,891	10,368,858	10,134,385	9,001,274	10,487,836	9,553,626	11,203,581	12,699,584	16,266,550	14,597,995
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered-employee payroll	\$ 108,871,633	\$ 107,126,290	\$ 107,693,266	\$ 102,817,212	\$ 100,230,613	\$ 99,770,814	\$ 96,950,900	\$ 97,095,839	\$ 94,210,358	\$ 91,128,639
Contributions as a percentage of covered-employee payroll	10.29%	9.68%	9.41%	8.75%	10.46%	9.58%	11.56%	13.08%	17.27%	16.02%

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

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
For the Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 261,432,690
Add: Prior year's encumbrances	<u>1,980,834</u>
Original Budget	263,413,524
Add: Budget revisions	<u>10,094</u>
Final Budget	<u><u>\$ 263,423,618</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	<u>\$ 272,138,300</u>
Maximum allowed (4% of 2023-24 budget)	<u>\$ 10,885,532</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 4,674,918
Unassigned fund balance	<u>10,885,415</u>
	\$ 15,560,333
Less:	
Appropriated fund balance	\$ 4,175,007
Encumbrances	<u>499,911</u>
	<u>4,674,918</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	<u><u>\$ 10,885,415</u></u>
Actual Percentage	4.00%

See Paragraph on Other Information Included in Auditor's Report.

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING RESOURCES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2023

PROJECT TITLE	Budget June 30, 2023	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2023
		Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Five-Year Capital Plan										
Clover Drive Center		\$ 35,457	\$ 115,407	\$ 150,864						
District-wide		166,606	103,224	269,830						
EM Baker School		464,192	15,590	479,782						
North High School		3,125		3,125						
North Middle School		-0-	910	910						
Parkville School		-0-	12,915	12,915						
Phipps Administration		-0-	18,474	18,474						
South Grounds		1,056,156	33,488	1,089,644						
South High School		385,700	-	385,700						
South Middle School		104,434	477,010	581,444						
Grace Ave		78,080	28,690	106,770						
Total Five-Year Capital Plan	\$ 8,597,733	2,293,750	805,708	3,099,458	\$ 5,498,275	\$ -0-	\$ -0-	\$ 8,597,733	\$ 8,597,733	\$ 5,498,275
Technology Enhancements										
District-wide		2,455,989	802,379	3,258,368						
EM Baker School		415,499	12,077	427,576						
John F. Kennedy School		394,616	24,000	418,616						
Lakeville School		532,263	41,500	573,763						
North High School		223,836		223,836						
North Middle School		230,622		230,622						
Parkville School		151,778	18,138	169,916						
Saddle Rock		374,318	18,640	392,958						
South High School		245,229		245,229						
South Middle School		221,085		221,085						
Unallocated - Elementary		531,330		531,330						
Village School		134,117		134,117						
District-wide - finance purchase agreements		740,775		740,775						
Transfer to General Fund			448	448						
Total Technology Enhancements	7,568,639	6,651,457	917,182	7,568,639	-0-	-0-	-0-	7,568,639	7,568,639	-0-
Building Conditions Projects										
Clover Drive Center		96,397	40,626	137,023						
Cumberland Center		80,210		80,210						
District-wide		380,341	290,572	670,913						
EM Baker School		736,811	49,669	786,480						
Grace Avenue		102,576		102,576						
Inland Building		120,080	341,863	461,943						
John F. Kennedy School		934,449	61,799	996,248						
Lakeville School		770,547	150,962	921,509						
North High School		1,477,026	363,662	1,840,688						
North Middle School		1,601,327	302,589	1,903,916						
North Field House		46,713	391,073	437,786						
Parkville School		845,827	105,891	951,718						
Phipps Administration		652,078	1,301,247	1,953,325						
Saddle Rock		915,709	100,152	1,015,861						
South High School		1,382,542	139,821	1,522,363						
South Middle School		1,217,582	401,213	1,618,795						
Village School		166,705	125,531	292,236						
Maintenance Garage Beach Rd		13,422	22,230	35,652						
Total Building Conditions Projects	27,959,248	11,540,342	4,188,900	15,729,242	12,230,006	-0-	581,567	27,377,681	27,959,248	12,230,006
Carried forward	\$ 44,125,620	\$ 20,485,549	\$ 5,911,790	\$ 26,397,339	\$ 17,728,281	\$ -0-	\$ 581,567	\$ 43,544,053	\$ 44,125,620	\$ 17,728,281

See Paragraph on Other Information Included in Auditor's Report.

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING RESOURCES - CAPITAL PROJECTS FUND (continued)
For the Year Ended June 30, 2023

PROJECT TITLE	Budget June 30, 2023	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2023
		Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Brought forward	\$ 44,125,620	\$ 20,485,549	\$ 5,911,790	\$ 26,397,339	\$ 17,728,281	\$ -0-	\$ 581,567	\$ 43,544,053	\$ 44,125,620	\$ 17,728,281
Proposition 2019										
EM Baker School		329,205	2,595,182	2,924,387						
Lakeville School		86,038	720,058	806,096						
Total Proposition 2019	9,749,469	415,243	3,315,240	3,730,483	6,018,986	-0-	-0-	9,749,469	9,749,469	6,018,986
Proposition 2016 (Capital Reserve)										
Clover Drive		61,201		61,201						
Cumberland Center		61,083		61,083						
EM Baker School		1,377,362		1,377,362						
Grace Avenue		66,634		66,634						
John F. Kennedy School		1,987,401	(1,198)	1,986,203						
Lakeville School		1,373,113		1,373,113						
North High School		3,471,655		3,471,655						
North Middle School		1,985,475		1,985,475						
Parkville School		2,540,498		2,540,498						
Phipps Administration		1,385,115		1,385,115						
Saddle Rock		1,789,964		1,789,964						
South High School		982,754		982,754						
South Middle School		642,218		642,218						
Village School		60,185		60,185						
Total Proposition 2016	19,006,997	17,784,658	(1,198)	17,783,460	1,223,537	-0-	-0-	19,006,997	19,006,997	1,223,537
Proposition 2017 (Bond Projects)										
Clover Drive		84,484	1,371,011	1,455,495						
EM Baker School		9,580,873	462,405	10,043,278						
Grace Avenue		2,430	48,545	50,975						
John F. Kennedy School		4,082,993	1,212	4,084,205						
Lakeville School		2,783,168	627,264	3,410,432						
North High School		2,299,907	23,712	2,323,619						
North Middle School		2,935,873	2,635,992	5,571,865						
Parkville School		1,712,925		1,712,925						
Phipps Administration		122,793	562,880	685,673						
Saddle Rock		2,973,794	11,588	2,985,382						
South High School		15,314,477	622,537	15,937,014						
South Middle School		15,415,668	519,161	15,934,829						
Village School		4,990		4,990						
Total Proposition 2017	77,847,217	57,314,375	6,886,307	64,200,682	13,646,535	68,339,262	-0-	9,507,955	77,847,217	13,646,535
Finance Purchase Agreements	657,900	-0-	657,900	657,900	-0-	657,900	-0-	-0-	657,900	-0-
DASNY Grant										
District-wide	150,000	248,231	(98,231)	150,000	-0-	-0-	150,000	-0-	150,000	-0-
Totals	\$ 151,537,203	\$ 96,248,056	\$ 16,671,808	\$ 112,919,864	\$ 38,617,339	\$ 68,997,162	\$ 731,567	\$ 81,808,474	\$ 151,537,203	38,617,339
										Unissued Bonds (363,333)
										Capital Projects Fund - Fund Balance \$ 38,254,006

See Paragraph on Other Information Included in Auditor's Report.

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
June 30, 2023

Capital assets, net		\$ 175,008,022
Deduct:		
Capital related liabilities		
Accounts payable	\$ 4,667,335	
Retainage payable	704,347	
Short-term portion of bonds payable	2,310,000	
Long-term portion of bonds payable	52,675,000	
Premium on bonds payable	5,223,724	
Less: Unspent bond proceeds	(13,283,202)	
Short-term portion of finance purchase agreements payable	458,097	
Long-term portion of finance purchase agreements payable	626,120	
Short-term portion of installment purchase debt	884,086	
Long-term portion of installment purchase debt	<u>919,837</u>	<u>(55,185,344)</u>
Net Investment in capital assets		<u>\$ 119,822,678</u>

See Paragraph on Other Information Included in Auditor's Report.



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

To the Board of Education
Great Neck Union Free School District
Great Neck, 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, each major fund and the fiduciary fund of the Great Neck Union Free School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 11, 2023. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Great Neck Union Free 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 Great Neck Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Great Neck Union Free 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 District'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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Great Neck Union Free 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*.

We noted certain matters that we have reported to the Board of Education, Audit Committee, and management of the Great Neck Union Free School District in a separate letter dated October 11, 2023.

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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cullen & Danowski, LLP

October 11, 2023

