SUPPLEMENT TO THE PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 29, 2018

VILLAGE OF GREAT NECK
NASSAU COUNTY, NEW YORK

(the “Village”)

$2,955,000 Public Improvement (Serial) Bonds, 2018
(the “Bonds”)

Dated: September 20, 2018 **Due: September 15, 2019-2032**

The following section within the Preliminary Official Statement has been revised as follows:

Historical Compliance

Except as noted below, the Village is in compliance in all material respects within the last five years with all other prior undertakings made pursuant to the Rule 15c2-12.

The Village failed to timely file its Audited Financial Statements for the fiscal year ending May 31, 2016 to the Electronic Municipal Access Website (“EMMA”). The Village’s 2016 audit is dated January 10, 2016 and was filed to EMMA on November 21, 2017. The Village filed a Material Event Notification – Failure to File on November 21, 2017. The Material Event Notification was not filed in a timely manner.

The Village failed to timely file its Annual Financial Information and Operating Data (“AFIOD”) for the fiscal year ending May 31, 2015 to EMMA. The Village’s AFIOD for the fiscal year ending May 31, 2015 is dated May 27, 2016 and was filed to EMMA on May 27, 2016. The Village filed a Material Event Notification – Failure to File on September 4, 2018. The Material Event Notification was not filed in a timely manner.

On June 15, 2015, the Village had a partial interest payment due for the $1,600,000 Public Improvement (Serial) Bonds, 2007. While the Village had sufficient funds to make the payment on June 15, 2015, due to a clerical error, the payment was not made until June 17, 2015. The Village filed a payment delinquency notice to EMMA on June 25, 2015.

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **SERIAL BOND**

STANDARD & POOR'S: "AAA" Stable Outlook **See "BOND RATING" herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

The Bonds will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$2,955,000

VILLAGE OF GREAT NECK

NASSAU COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 390892

$2,955,000 Public Improvement (Serial) Bonds, 2018

(referred to herein as the "Bonds")

Dated: September 20, 2018 **Due: September 15, 2019-2032**

MATURITIES**

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2019	$ 145,000	%	%		2024	$ 210,000	%	%		2029	$ 225,000*	%	%	
2020	190,000				2025	210,000				2030	230,000*			
2021	190,000				2026	215,000*				2031	240,000*			
2022	200,000				2027	220,000*				2032	245,000*			
2023	205,000				2028	230,000*								

* The Bonds maturing in the years 2026-2032 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

** Subject to change pursuant to the accompanying Notice of Private Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the Village of Great Neck, Nassau County, New York (the "Village"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF THE OBLIGATION" herein.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on September 15, 2019 and semi-annually thereafter on March 15 and September 15 in each year until maturity. Principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $2,955,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about September 20, 2018.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on September 5, 2018 until 11:00 A.M., Eastern Time, pursuant to the Notice of Private Competitive Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

August 29, 2018

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE VILLAGE'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

VILLAGE OF GREAT NECK
NASSAU COUNTY, NEW YORK

VILLAGE OFFICIALS

<u>PEDRAM BRAL, M.D.</u>
Mayor

<u>BARTON SOBEL</u>
Deputy Mayor

TRUSTEES

STEVEN HOPE
ANNIE MENDELSON
NORMAN NAMDAR

* * * * * * * * *

<u>JOE GILL</u>
Village Clerk-Treasurer

<u>BEE, READY, FISHBEIN, HATTER & DONOVAN, LLP</u>
General Counsel

<u>FISCAL ADVISORS & MARKETING, INC.</u>
Municipal Advisor

<u>ORRICK, HERRINGTON & SUTCLIFFE LLP</u>
Bond Counsel

No person has been authorized by the Village to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

VILLAGE OF GREAT NECK
NASSAU COUNTY, NEW YORK

Relating To

$2,955,000 Public Improvement (Serial) Bonds, 2018

This Official Statement, which includes the cover page and appendices, has been prepared by the Village of Great Neck, Nassau County, New York (the "Village," "County," and "State," respectively), in connection with the sale by the Village of its aggregate principal amount of $2,955,000 Public Improvement (Serial) Bonds, 2018 (referred to herein as the “Bonds”).

The factors affecting the Village’s financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Village’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the and Bonds and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF OBLIGATION

Each Bond when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> “A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city’s “faith… and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in

> order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the Village and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated September 20, 2018 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and, when issued, if issued in book-entry only form, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on September 15, 2019 and semi-annually thereafter on March 15 and September 15 in each year until maturity. Principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption

The Bonds maturing on or before September 15, 2025 shall not be subject to redemption prior to maturity. The Bonds maturing on or after September 15, 2026 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Village on September 15, 2025 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village Clerk - Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of New York State, including among others, Village Law and the Local Finance Law, and bond resolutions adopted by the Village Board of Trustees on July 17, 2018 authorizing the issuance of $2,000,000 serial bonds for the reconstruction and resurfacing of roads in and for the Village at a maximum estimated cost of $2,000,000 and $955,000 serial bonds for the purchase of equipment for the Public Works Department in and for the Village at a maximum estimated cost of $955,000.

The proceeds of the Bonds will provide $2,000,000 in new monies for the reconstruction and resurfacing of roads and $955,000 in new monies for the purchase of equipment for the Public Works Department.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds if selected. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE VILLAGE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Village upon termination of the book-entry-only system. Interest on the Bonds will be payable on September 15, 2019 and semi-annually thereafter on March 15 and September 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the Village Clerk - Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE VILLAGE

General Information

The Village is located in the northwest section of Nassau County, within the Great Neck peninsula. The Village is one of many villages located on this peninsula, which is bounded on the west by Little Neck Bay, and on the east by Manhasset Bay. The Village has a present population estimated at 10,303 (2017 U.S. Census estimate) and covers an area of approximately one and four tenths square miles.

A large percentage of the residents of this north shore community commute to New York City, which begins one and a half miles west of the western extremity of the Village. Zoning regulations are strictly enforced and the majority of the homes range in price between $500,000 and $1,500,000. Also, within and around the Village’s periphery, there are a number of high-rent apartment houses. Presently, multiple dwelling units and commercial properties within the confines of the Village account for about 9% of the Village’s taxable valuation.

An excellent network of roads leads to and from the Village, giving surface traffic ready access to the major east-west arteries leading either into New York City, or to eastern Long Island. These include Northern Boulevard (Route 25A), Northern State Parkway, Long Island Expressway and Union Turnpike.

The Long Island Railroad operates at frequent intervals from nearby Great Neck Plaza. The trip to midtown Manhattan is scheduled at approximately 30 minutes.

There are twenty-four miles of Village owned streets which are fully sewered. Gas and electric are supplied by the National Grid and the PSEG-LI (Public Service Electric & Gas), respectively. Police protection is provided by the Nassau County Police Department. In addition, the Village is patrolled by the Great Neck Police Auxiliary Unit, a volunteer group. There is volunteer fire protection and paramedic ambulance service provided.

School facilities are furnished by the Great Neck Union Free School District, consistently ranked one of the Top 100 in the Country.

The housing market in Great Neck is robust. In 2017, Avalon Bay completed a new 191-unit apartment building which has reached full occupancy. In 2018, the Board of Trustees approved plans for renovations and additional units at the Millbrook Apartments which, once completed, will add a net of 67 units. Further, developers have approached the Village with conceptual plans that could potentially add hundreds of affordable, moderate and luxury units to the housing stock.

Source: Village officials.

Banking Facilities

Commercial banking facilities within the Village include branch offices of:

HSBC Bank USA, N.A.
Bank of America, N.A.
JPMorgan Chase Bank, N.A.
Peoples United Bank
Capital One, N.A.

Population Trends

Year	Village of Great Neck	Town of North Hempstead	Nassau County	New York State
1980	9,168	218,624	1,321,582	17,558,072
1990	8,745	209,445	1,287,444	17,990,455
2000	9,538	220,364	1,344,544	18,976,457
2010	9,989	226,322	1,339,532	19,378,102
2017 (Estimated)	10,303	232,920	1,369,514	19,849,399

Source: U.S. Census Bureau, 2017 Population Estimates, Census, 2010, 2000, 1990 and 1980 Census.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Village, County and State. Listed below are select figures from the 2000 census, 2006-2010 and 2012-2016 American Community Survey data.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2012-2016	2000	2006-2010	2012-2016
Village of:						
Great Neck	$ 38,790	$ 43,080	$ 39,142	$ 89,733	$100,714	$ 101,619
County of:						
Nassau	32,151	41,387	44,548	81,246	107,934	118,959
State of:						
New York	23,389	30,948	34,212	51,691	67,405	74,036

Note: 2013-2017 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2012-2016 American Community Survey data.

Building Permits

Fiscal Year Ending May 31st	Number of Permits	Value [1]	Fiscal Year Ending May 31st	Number of Permits	Value [1]
2001	160	$ 9,904,109	2010	31	$ 3,673,705
2002	118	19,661,608	2011	37	7,464,700
2003	100	12,679,749	2012	161	5,290,770
2004	135	14,446,663	2013	222	4,859,204
2005	114	21,003,045	2014	365	7,354,957
2006	61	5,817,997	2015	372	59,480,039 [2]
2007	85	7,449,440	2016	380	58,056,677 [2]
2008	119	5,008,106	2017	357	9,055,828
2009	56	11,220,490	2018	350	11,607,988

(1) Because building permit fees typically are not based upon the actual cost or value of the improvements, values provided are mere estimates and may not be accurate.
(2) Increases due to the Avalon Bay construction. See "General Information" herein.

Unemployment Rate Statistics

Unemployment statistics are not available for the Village as such. The areas for which such statistics are available (which includes the Village) are the Town of North Hempstead and the County of Nassau. The information set forth below with respect to the Town, County and State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Town, County and/or State are necessarily representative of the Village, or vice versa.

	Annual Average						
	2011	2012	2013	2014	2015	2016	2017
Town of North Hempstead	6.2%	6.3%	5.4%	4.4%	3.9%	3.6%	3.6%
Nassau County	6.8%	7.1%	5.9%	4.8%	4.2%	3.9%	3.9%
New York State	8.3%	8.5%	7.7%	6.3%	5.3%	4.8%	4.7%

	2018 Monthly Figures							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Town of North Hempstead	4.2%	4.5%	4.0%	3.6%	3.2%	3.5%	3.4%	N/A
Nassau County	4.5%	4.7%	4.2%	3.8%	3.4%	3.7%	3.7%	N/A
New York State	5.1%	5.1%	4.8%	4.3%	3.7%	4.2%	4.2%	N/A

Note: Unemployment rates for August 2018 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of Village Government

As prescribed by Village Law, the chief executive officer of the Village is the Mayor who is elected for a term of two years and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor there are four Trustees who are elected for two-year terms. The terms are staggered so that every year two Trustees will run for election. The Mayor will run every two years. The Mayor and Trustees are elected at large.

The Mayor, with the approval of the Board of Trustees appoints a Village Clerk-Treasurer to serve a two-year term. The Village Treasurer serves as the tax collector.

Financial Operations

The Village Treasurer is the chief fiscal officer, the accounting officer and the budget officer. In addition, the Village appoints a certified public accounting firm as a Village Auditor.

Budgetary Procedures

The budget officer, under the direction of the Mayor, prepares the proposed budget each year, pursuant to the Laws of the State of New York, and a public hearing is held thereon. Subsequent to the public hearing revisions, if any, are made and the budget is then adopted by the Village Board of Trustees as its final budget for the coming fiscal year. The budget is not subject to referendum, but the tax levy is subject to the provisions of the Tax Levy Limitation Law. The Village voted to override the tax cap for the 2018-2019 fiscal year but the Village did not increase the tax levy.

Investment Policy

Pursuant to the statutes of the State of New York, the Village is permitted to invest only in the following investments: (1) special time deposit accounts in or certificates of deposits issued by a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Village; (6) obligations of a New York public benefit corporations which are made lawful investments by the Village pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Village moneys held in certain reserve funds established pursuant to law, obligations issued by the Village. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Village's investments are governed by a formal investment policy. The Village's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and investments made by the Cooperative Liquid Asset Security System (C.L.A.S.S.) which is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Revenue repurchase agreements are not authorized.

It is the Village's policy to require collateral or an eligible letter of credit for bank demand deposits and certificates of deposit for all deposits not covered by the federal deposit insurance. Obligations that may be pledged as collateral are eligible securities and eligible surety bonds, as those terms are defined in the law, of the United States and its agencies and obligations of the State and its municipalities and school districts.

Employees

The Village provides services through approximately 27 full-time and 4 part-time employees. Employees are not represented by any collective bargaining units.

Source: Village officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS" or the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For ERS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension form 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The actual contributions made by the Village for the last five years and the budgeted figures for the 2018-2019 fiscal year are as follows:

Fiscal Year	ERS Contributions
2013-2014	$ 572,275
2014-2015	472,468
2015-2016	336,819
2016-2017	340,740
2017-2018	335,240
2018-2019 (Budgeted)	350,000

Source: Village officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Village does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2013 to 2018) are shown below:

Year	ERS
2013	18.9%
2014	20.9
2015	20.1
2016	18.2
2017	15.5
2018	15.3

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Village, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Village is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Village's employees is not subject to the direction of the Village. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Village which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the Village provides post-retirement healthcare benefits to various categories of former employees, subject to vesting. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the Village, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The Village is not certain that municipalities will be mandated to implement GASB 45 since the potential liability will have to be determined by an actuarial and will be astronomical with the potential of bankrupting municipalities.

The Village contracted with Milliman, Inc., an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on the most recent actuarial valuation and financial data as of May 31, 2017, the following tables show the components of the Village's annual OPEB cost, the amount actuarially contributed to the plan, changes in the Village's net OPEB obligation and funding status for the fiscal years ending May 31, 2016 and 2017:

Annual OPEB Cost and Net OPEB Obligation:	***2016***	***2017***
Annual required contribution (ARC)	$ 684,162	$ 684,162
Interest on net OPEB obligation	126,867	144,878
Adjustment to ARC	(137,066)	(156,525)
Annual OPEB cost (expense)	673,963	672,515
Contributions made	(313,734)	(323,263)
Increase in net OPEB obligation	360,229	349,252
Net OPEB obligation - beginning of year	2,537,331	2,897,560
Net OPEB obligation - end of year	$ 2,897,560	$ 3,246,812
Percentage of annual OPEB cost contributed	46.55%	48.07%

Funding Status:

Actuarial Accrued Liability (AAL)	$ 7,908,889	$ 7,908,889
Actuarial Value of Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 7,908,889	$ 7,908,889
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$ 672,515	48.1%	$ 3,246,812
2016	673,963	46.6	2,897,560
2015	664,744	66.6	2,537,331
2014	776,899	53.0	2,315,473

Note: The above tables are not audited.

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the Village's audited financial statements.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Village funds this liability on a pay-as-you-go basis.

The Village's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In June 2015, the Governmental Accounting Standards Board issued GASB Statement 75 ("GASB 75"), which when implemented will supersede and eliminate GASB 45. GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 is required to be implemented for all municipalities and school districts in the fiscal year beginning after June 2017. Actuarial valuation will be required every two years for GASB 75.

<u>Summary of Changes from the Last Valuation.</u> The Village qualifies to use the Alternative Measurement Method (AMM) to calculate the Total OPEB Liability. Using this method, a full actuarial valuation is not required. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines. The Village used the AMM calculation process and online calculator provided by GASBhelp.com to calculate the GASB 75 OPEB valuation of the Village for the fiscal year ending May 31, 2018.

Service Cost (SC)	Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability (NOL)
$296,707	$0	$12,379,670	$12,379,670

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Bonds are to be issued, is the Village Law and the Local Finance Law.

The Village is in the process of complying with the procedure for the publication of the estoppel notice with respect to the Bonds as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this Village is past due.

The fiscal year of the Village is June 1 through May 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

Financial Statements

The Village retains an independent certified public accounting firm to audit its financial affairs. The last such audit covers the period ending May 31, 2017 is attached hereto as "APPENDIX – D" to this Official Statement. The financial affairs of the Village are also subject to periodic audit by the State Comptroller.

The Village complies with the Uniform System of Accounts as prescribed for villages in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending May 31, 2005 the Village is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The Village is in compliance with Statement

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Village has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptrollers audits of the Village nor any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past four fiscal years of the Village are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2017	No Designation	6.7%
2016	Has Not Filed [(1)]	N/A [(1)]
2015	Has Not Filed [(1)]	N/A [(1)]
2014	No Designation	5.0%

(1) In cases where local governments, such as the Village, did not file its financial data as of the specified snapshot date, that entity is classified as "Have Not Filed". The Village did not file its Annual Financial Update Report Document for the fiscal year ending December 31, 2015 or 2016 with Office of the State Comptroller in a timely manner.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to websites implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending May 31:	2015	2016	2017	2018	2019
Assessed Valuation	$ 2,101,057,801	$ 2,226,282,632	$ 2,338,180,915	$ 2,421,230,407	$ 2,598,321,329
New York State Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 2,101,057,801	$ 2,226,282,632	$ 2,338,180,915	$ 2,421,230,407	$ 2,598,321,329

Source: Village officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending May 31:	2015	2016	2017	2018	2019
Water Pollution Control Area	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Homestead	2.92	2.98	2.93	2.87	2.68
Non-Homestead	4.95	4.95	4.62	4.51	4.21

Tax Collection Procedure

Tax payments are due on June 1st each year and are payable without penalty during the month of June. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years and is currently 1%) for each month or fraction thereof thereafter. Each year unpaid tax liens may be sold by the Village at auction pursuant to proceedings set forth in the Real Property Tax Law. Consequently, in prior years, there are no uncollected taxes at the end of the fiscal year. Since fiscal year 2012, however, the Village decided to retain its tax liens. The Village has consistently collected at least 90% of the levy within the first 30 days of the collection period.

Tax Levy and Tax Collection Record

Fiscal Year Ending May 31:	2015	2016	2017	2018	2019
Total Tax Levy	$ 6,532,239	$ 7,022,157	$ 7,197,711	$ 7,305,677	$ 7,305,677
Amount Uncollected [(1)]	67,807	51,959	70,894	72,273	N/A
% Uncollected	1.04%	0.74%	0.98%	0.99%	N/A

(1) See "Tax Collection Procedure" herein.

Larger Taxpayers – 2018-2019 Assessment Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$ 13,853,341
Oxford Developers	Rental Apartments	12,530,700
Millbrook Apartments Co.	Rental Apartments	9,772,600
Kings Point Tenants Corp.	Rental Apartments	9,078,300
Old Mill Partners	Rental Apartments	8,297,000
310 East Shore Road	Office Building	8,105,300
221 Middle Neck Owners	Cooperative Apartments	6,717,600
AJDJP Realty LLC	Realty	6,170,500
Pavilion Development LLC	Office Buildings	5,987,100
11 Wooleys Lane Corp	Cooperative Apartments	5,537,300

The ten larger taxpayers listed above have a total assessed valuation of $86,049,741 which represents 3.31% of the tax base of the Village.

The Village does not currently have any pending or outstanding tax certioraris that are known or believed to have a material impact on the Village.

Source: Village Tax Rolls.

Constitutional Tax Margin

The constitutional tax margin or the fiscal years ending May 31, 2017 through and including 2019 has been computed as follows:

Fiscal Year Ending May 31:	2019	2018	2017
Five Year Average Full Valuation………………	$ 2,211,169,449	$ 2,121,002,742	$ 2,063,357,062
Tax Limit - (2% thereof)……………………………	44,223,389	42,420,055	41,267,141
Add: Exclusions………………………………………	1,267,153	1,338,789	1,438,745
Total Taxing Power…………………………………	$ 45,490,542	$ 43,758,844	$ 42,705,886
Total Levy Subject to Limit……………….….	6,038,524	5,966,888	5,758,966
Constitutional Tax Margin…………………….….	$ 39,452,018	$ 37,791,956	$ 36,946,920

Additional Tax Information

The Village is an assessing entity and assesses the real property within the Village for Village tax purposes.

Partial property exemptions are offered to veterans and certain senior citizens, members of volunteer fire companies and ambulance services, and persons with disabilities and limited income who qualify. Also, within the Village all schools, municipally owned property, religious institutions and other qualified not-for-profit corporations are exempt from Village property taxes.

The assessment roll of the Village is constituted approximately as follows: Homestead Family Residential-87% and Commercial & Non-Homestead-13%.

The estimated property tax bill of the average $906,061 market value residential property located in the Village is approximately $2,429.61.

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TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effect`tive date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Village are uncertain at this time.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the Village (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Village and the Bonds include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its notes and such required annual installments on its bonds.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Village is calculated by taking 7% of the latest five year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the Village to borrow and incur indebtedness, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Village Board of Trustees, the finance board of the Village. Customarily, the Village Board of Trustees has delegated to the Village Clerk - Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Village complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory Law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” herein).

In general, the Local Finance Law contains provisions providing the Village with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes, budget, deficiency and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending May 31:	2014	2015	2016	2017	2018
Bonds	$ 12,915,000	$ 10,692,566	$ 9,535,137	$ 8,367,333	$ 7,258,020
Bond Anticipation Notes	0	0	0	0	0
Other Debt	0	0	0	0	0
Totals	$ 12,915,000	$ 10,692,566	$ 9,535,137	$ 8,367,333	$ 7,258,020

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of August 27, 2018:

Type of Indebtedness	Maturity		Amount Outstanding
Bonds	2018-2032		$ 6,708,020
Bond Anticipation Notes	-		0
		Total Debt Outstanding	$ 6,708,020

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 27, 2018:

Five-Year Average Full Valuation			$ 2,337,014,617
Debt Limit - 7% thereof			163,591,023
Inclusions:			
Bonds	$ 6,708,020		
Bond Anticipation Notes	0		
Total Inclusions		$ 6,708,020	
Exclusions:			
Appropriations	$ 509,010		
Total Exclusions		$ 509,010	
Total Net Indebtedness			$ 6,199,010
Net Debt-Contracting Margin			$ 157,392,013
The percent of debt contracting power exhausted is			3.79%

The issuance of the Bonds will increase the total net indebtedness of the Village by $2,955,000.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the Village.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in "APPENDIX – B" to this Official Statement.

Estimate of Obligations to be Issued

The Village has implemented an approximately 30 year road reconstruction plan, which is over 85% completed. The Village will issue bonds to complete this plan. On July 17, 2018, the Village authorized the issuance of $2,000,000 serial bonds to pay for the reconstruction and resurfacing of roads in the Village. The proceeds of the Bonds will provide $2,000,000 in new monies for the above mentioned project.

On July 17, 2018, the Village authorized the purchase of equipment for the Public Works department in and for the Village at a maximum estimated cost of $955,000 and the issuance of $955,000 serial bonds to pay costs thereof. The proceeds of the Bonds will provide $955,000 in new monies for the above mentioned purpose.

There are presently no other capital projects authorized and unissued by the Village, nor are any contemplated at this time.

Cash Flow Borrowing

The Village has not found it necessary to borrow revenue or tax anticipation notes in the recent past and does not plan to do so in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Village. Estimated bonds and bond anticipation notes are listed of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Estimated Exclusions		Net Indebtedness	Village Share	Applicable Indebtedness
County of:							
Nassau	12/31/2016	$ 3,996,210,894	$ 361,885,000	[2]	$ 3,634,325,894	1.13%	$ 41,067,883
Town of:							
North Hempstead	12/31/2016	338,705,432	9,079,720	[2]	329,625,712	4.52%	14,899,082
School District:							
Great Neck	6/30/2017	9,679,445	967,945	[3]	8,711,501	16.98%	1,479,213
						Total:	$ 57,446,178

[1] Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any
[2] Water and sewer debt and appropriations.
[3] Estimated State building aid based on current aid ratio.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2016 and 2017.

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Debt Ratios

The following table sets forth certain ratios relating to the Village's net indebtedness as of August 27, 2018.

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 6,199,010	$ 601.67	0.24%
Net Indebtedness Plus Net Overlapping Indebtedness [d]............	63,645,188	6,177.35	2.45

[a] The current estimated population of the Village is 10,303. (See "THE VILLAGE – Population Trends" herein.)

[b] The Village's full value of taxable real estate for 2018-2019 is $2,598,321,329. (See "TAX INFORMATION - Taxable Assessed Valuations" herein.)

[c] See " Debt Statement Summary" for calculation of Net Indebtedness herein.

[d] Estimated net overlapping indebtedness is $57,446,178. (See "TAX INFORMATION - Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "NATURE OF OBLIGATION" and "State Debt Moratorium Law" herein.

No Past Due Debt. No principal of or interest on Village indebtedness is past due. Except as noted under the section "CONTINUING DISCLOSURE – Historical Compliance", the Village has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Village as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Village's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. In some years, the Village has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations.

There are a number of general factors which could have a detrimental effect on the ability of the Village to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Village. Unforeseen developments could also result in substantial increases in Village expenditures, thus placing strain on the Village's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Village. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

Certain requirements and procedures contained or referred to the in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds is covered by the approving legal opinion of Bond Counsel. The proposed form of Bond Counsel's opinion is attached hereto at "APPENDIX – E".

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village Attorney does not believe, however, that such suits, individually or in the aggregate are likely to have a material adverse effect on the financial condition of the Village.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Village.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Village will enter into a Continuing Disclosure Undertaking Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

Except as noted below, the Village is in compliance in all material respects within the last five years with all other prior undertakings made pursuant to the Rule 15c2-12.

The Village failed to timely file its Audited Financial Statements for the fiscal year ending May 31, 2016 to the Electronic Municipal Access Website ("EMMA"). The Village's 2016 audit is dated January 10, 2016 and was filed to EMMA on November 21, 2017. The Village filed a Material Event Notification – Failure to File on November 21, 2017. The Material Event Notification was not filed in a timely manner.

On June 15, 2015, the Village had a partial interest payment due for the $1,600,000 Public Improvement (Serial) Bonds, 2007. While the Village had sufficient funds to make the payment on June 15, 2015, due to a clerical error, the payment was not made until June 17, 2015. The Village filed a payment delinquency notice to EMMA on June 25, 2015.

BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its their rating of "AAA" with a stable outlook to the bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from S&P Global, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the " Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Village on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Village to Fiscal Advisors are partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Village provided, however; the Village assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Village management's beliefs as well as assumptions made by, and information currently available to, the Village's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village's files with the repositories. When used in Village documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Village, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Village.

The Official Statement is submitted only in connection with the sale of the Bonds by the Village and may not be reproduced or used in whole or in part for any other purpose.

The Village hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the Village also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Village's contact information is as follows: Mr. Joe Gill, Village Clerk - Treasurer, 61 Baker Hill Road, Great Neck, New York 11023, Phone: (516) 482-0019, Fax: (516) 482-2606, Email: jgill@greatneckvillage.org.

Additional copies of the Notice of Private Competitive Bond Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

VILLAGE OF GREAT NECK

Dated: August 29, 2018

JOE GILL
Village Clerk - Treasurer

GENERAL FUND

Balance Sheets

Fiscal Years Ending May 31:	2013	2014	2015	2016	2017
ASSETS					
Cash and Cash Equivalents	$ 5,499,950	$ 4,982,783	$ 4,442,752	$ 4,733,474	$ 5,480,978
Restricted Cash and Cash Equivalents	-	-	-	35,027	35,175
Taxes Receivable	28,187	28,187	-	-	266,270
Accounts Receivable	253,873	185,405	245,432	298,265	34,735
Special Assessments Receivable	-	-	-	-	-
Due from Other Funds	-	-	27,568	-	-
Due from Other Governments	-	-	2,621	-	-
Prepaid Expense	-	-	-	-	-
Due from Fiduciary	500	500	500	400	400
Fixed Assets	-	-	-	-	-
TOTAL ASSETS	$ 5,782,510	$ 5,196,875	$ 4,718,873	$ 5,067,166	$ 5,817,558
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 356,629	$ 562,464	$ 441,590	$ 295,030	$ 325,122
Agency Liabilities	-	-	-	-	-
Deferred Revenues	-	-	-	260,256	266,270
Deferred Revenues - Special Assessments	-	-	-	-	-
Bonds and Long-Term Liabilities	-	-	-	-	-
Bond Anticipation Note Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Customer Deposits-Sewage Treatment	28,135	-	-	-	-
TOTAL LIABILITIES	$ 384,764	$ 562,464	$ 441,590	$ 555,286	$ 591,392
FUND EQUITY					
Nonspendable:					
Security Deposits	$ 500	$ 500	$ 500	$ -	$ -
Restricted:					
Workers Compensation	5,393	5,393	5,396	5,403	5,426
Unemployment Benefits	29,563	29,572	29,583	29,624	29,749
Capital Projects	23,654	23,661	-	-	-
Debt Service	-	-	-	-	-
Assigned:					
Encumbrances	-	-	-	-	-
Appropriated for subsequent year's budget	1,300,802	2,429,645	262,252	607,838	539,228
Community Benefit	-	-	-	419,148	407,771
Unassigned Fund Balance:	4,037,836	2,145,640	3,979,552	3,449,867	4,243,992
TOTAL FUND EQUITY	5,397,748	4,634,411	4,277,283	4,511,880	5,226,166
TOTAL LIABILITIES and FUND EQUITY	$ 5,782,512	$ 5,196,875	$ 4,718,873	$ 5,067,166	$ 5,817,558

Source: Audited financial reports of the Village. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending May 31:	2013	2014	2015	2016	2017
REVENUES					
Real Property Taxes	$ 7,230,990	$ 8,048,032	$ 6,628,034	$ 7,094,153	$ 7,341,450
Other Tax Items		-	-	-	-
Non-Property Tax Items	279,969	327,275	379,779	297,707	297,072
Departmental Income	1,192,492	903,307	1,004,210	437,403	524,984
Use of Money & Property	167,605	154,916	142,111	137,315	143,816
Licenses & Permits	95,824	155,936	156,032	154,362	163,541
Fines & Forfeitures	681,633	614,919	574,552	474,911	430,293
Sale of Property and Compensation for loss	6,150	7,863	38,400	56,450	8,242
Miscellaneous	12,816	54,762	226,891	39,796	52,809
Revenues from State Sources	431,618	801,649	319,045	361,701	743,733
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$ 10,099,097	$ 11,068,659	$ 9,469,054	$ 9,053,798	$ 9,705,940
EXPENDITURES					
General Government Support	$ 1,709,500	$ 2,024,356	$ 1,884,880	$ 1,832,563	$ 1,550,860
Public Safety	1,463,159	1,545,579	1,694,467	1,723,830	1,764,561
Health	231,863	238,376	246,647	253,373	257,928
Transportation	1,196,622	1,135,859	1,221,791	1,136,844	1,196,686
Economic Assistance & Opportunity	33,352	35,443	36,399	2,500	1,500
Culture and Recreation	-	2,500	2,000	1,900	2,950
Home and Community Services	2,527,073	3,617,937	1,524,351	1,031,246	1,051,015
Employee Benefits	1,953,927	2,134,361	1,794,558	1,732,553	1,712,985
Debt Service	-	-	-	-	-
Total Expenditures	$ 9,115,496	$ 10,734,411	$ 8,405,093	$ 7,714,809	$ 7,538,485
Excess of Revenues Over (Under) Expenditures	983,601	334,248	1,063,961	1,338,989	2,167,455
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	(939,867)	(1,097,584)	(2,746,495)	(1,434,854)	(1,453,169)
Proceeds of Obligations	-	-	1,325,407	-	-
Special Permit Fee	-	-	-	417,500	-
Total Other Financing	(939,867)	(1,097,584)	(1,421,088)	(1,017,354)	(1,453,169)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	43,734	(763,336)	(357,127)	321,635	714,286
FUND BALANCE					
Fund Balance - Beginning of Year	5,354,012	5,397,747	4,634,411	4,277,283	4,511,880
Prior Period Adjustments (net)	-	-	(1)	(87,038)	-
Fund Balance - End of Year	$ 5,397,747	$ 4,634,411	$ 4,277,283	$ 4,511,880	$ 5,226,166

Source: Audited financial reports of the Village. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending May 31:	2017			2018	2019
	Adopted Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 7,311,717	$ 7,311,717	$ 7,341,450	$ 7,305,677	$ 7,305,677
Other Tax Items	-	-	-	179,981	180,709
Non-Property Tax Items	260,000	260,000	297,072	260,000	260,000
Departmental Income	428,300	428,300	524,984	428,300	451,600
Use of Money & Property	140,000	140,000	143,816	127,808	40,000
Licenses & Permits	131,600	131,600	163,541	123,600	130,100
Fines & Forfeitures	558,100	550,100	430,293	500,100	480,100
Sale of Property and Compensation for loss	11,300	11,300	8,242	11,300	15,100
Miscellaneous	1,000	9,000	52,809	9,000	1,000
Revenues from State Sources	381,200	381,200	743,733	306,200	326,200
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$ 9,223,217	$ 9,223,217	$ 9,705,940	$ 9,251,966	$ 9,190,486
EXPENDITURES					
General Government Support	$ 1,949,000	$ 1,949,000	$ 1,550,860	$ 1,992,000	$ 2,056,940
Public Safety	1,809,800	1,809,800	1,764,561	1,815,800	1,804,800
Health	280,050	280,050	257,928	275,050	275,050
Transportation	1,145,400	1,145,400	1,196,686	1,143,400	1,167,900
Economic Assistance & Opportunity	9,500	5,500	1,500	9,500	9,500
Culture and Recreation	-	4,000	2,950	-	-
Home and Community Services	1,195,200	1,195,200	1,051,015	1,193,350	1,204,350
Employee Benefits	2,003,075	2,003,075	1,712,985	2,023,075	1,895,500
Debt Service	1,439,030	-	-	-	1,259,289
Total Expenditures	$ 9,831,055	$ 8,392,025	$ 7,538,485	$ 8,452,175	$ 9,673,329
Excess of Revenues Over (Under) Expenditures	(607,838)	831,192	2,167,455	799,791	(482,843)
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(1,439,030)	(1,453,169)	(1,339,019)	-
Appropriated Reserves	607,838	607,838	-	539,228	482,843
Proceeds of Obligations	-	-	-	-	-
Total Other Financing	607,838	(831,192)	(1,453,169)	(799,791)	482,843
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	714,286	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	4,511,880	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 5,226,166	$ -	$ -

Source: Audited financial reports and budgets of the Village. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending May 31st	Principal	Interest	Total	Principal of the Bonds	Total Principal all Issues
2019	$ 1,195,000	$ 230,506.77	$ 1,425,506.77	$ -	$ 1,195,000
2020	1,225,000	194,563.75	1,419,563.75	145,000	1,370,000
2021	960,000	160,955.36	1,120,955.36	190,000	1,150,000
2022	860,000	131,668.34	991,668.34	190,000	1,050,000
2023	885,000	102,374.53	987,374.53	200,000	1,085,000
2024	730,000	72,694.33	802,694.33	205,000	935,000
2025	585,000	51,987.13	636,987.13	210,000	795,000
2026	475,000	35,894.43	510,894.43	210,000	685,000
2027	405,000	22,496.48	427,496.48	215,000	620,000
2028	265,000	12,138.53	277,138.53	220,000	485,000
2029	150,000	5,239.96	155,239.96	230,000	380,000
2030	15,000	1,996.13	16,996.13	225,000	240,000
2031	15,000	1,197.68	16,197.68	230,000	245,000
2032	15,000	399.23	15,399.23	240,000	255,000
2033	-	-	-	245,000	245,000
TOTALS	$ 7,780,000	$1,024,112.65	$ 8,804,112.65	$ 2,955,000	$10,735,000

Note: $521,980 of the principal listed above has been refunded and is being paid from a fully funded escrow account annually until final maturity.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending May 31st	2000 EFC Principal	2000 EFC Interest	2000 EFC Total	2002G EFC Principal	2002G EFC Interest	2002G EFC Total
2019	$ 50,000	$ 2,863.50	$ 52,863.50	$ 15,000	$ 10,513.58	$ 25,513.58
2020	50,000	1,453.50	51,453.50	15,000	9,783.38	24,783.38
2021	-	-	-	15,000	9,039.68	24,039.68
2022	-	-	-	15,000	8,284.73	23,284.73
2023	-	-	-	15,000	7,520.78	22,520.78
2024	-	-	-	15,000	6,745.58	21,745.58
2025	-	-	-	15,000	5,962.13	20,962.13
2026	-	-	-	15,000	5,175.68	20,175.68
2027	-	-	-	15,000	4,383.98	19,383.98
2028	-	-	-	15,000	3,588.53	18,588.53
2029	-	-	-	15,000	2,793.08	17,793.08
2030	-	-	-	15,000	1,996.13	16,996.13
2031	-	-	-	15,000	1,197.68	16,197.68
2032	-	-	-	15,000	399.23	15,399.23
TOTALS	$ 100,000	$ 4,317.00	$ 104,317.00	$ 210,000	$ 77,384.17	$ 287,384.17

Note: $50,000 of the principal listed above (2000 EFC) has been refunded and is being paid from a fully funded escrow account.

Note: $105,000 of the principal listed above (2002G EFC) has been refunded and is being paid from a fully funded escrow account.

Fiscal Year Ending May 31st	2002F EFC Principal	2002F EFC Interest	2002F EFC Total	2007 General Obligation Principal	2007 General Obligation Interest	2007 General Obligation Total
2019	$ 35,000	$ 9,892.31	$ 44,892.31	$ 120,000	$ 26,000.00	$ 146,000.00
2020	35,000	7,802.37	42,802.37	125,000	21,200.00	146,200.00
2021	35,000	5,684.43	40,684.43	130,000	16,200.00	146,200.00
2022	35,000	3,545.48	38,545.48	135,000	11,000.00	146,000.00
2023	40,000	1,236.25	41,236.25	140,000	5,600.00	145,600.00
TOTALS	$ 180,000	$ 28,160.84	$ 208,160.84	$ 650,000	$ 80,000.00	$ 730,000.00

Note: $115,000 of the principal listed above (2007 General Obligation) has been refunded and is being paid from a fully funded escrow account.

Fiscal Year Ending May 31st	2008 General Obligation Principal	2008 General Obligation Interest	2008 General Obligation Total	2009 General Obligation Principal	2009 General Obligation Interest	2009 General Obligation Total
2019	$ 125,000	$ 29,831.25	$ 154,831.25	$ 105,000	$ 25,042.50	$ 130,042.50
2020	125,000	25,143.75	150,143.75	110,000	21,817.50	131,817.50
2021	135,000	20,100.00	155,100.00	110,000	18,462.50	128,462.50
2022	140,000	14,600.00	154,600.00	115,000	14,860.00	129,860.00
2023	145,000	8,900.00	153,900.00	120,000	10,892.50	130,892.50
2024	150,000	3,000.00	153,000.00	120,000	6,692.50	126,692.50
2025	-	-	-	125,000	2,281.25	127,281.25
TOTALS	$ 820,000	$ 101,575.00	$ 921,575.00	$ 805,000	$ 100,048.75	$ 905,048.75

CURRENT BONDS OUTSTANDING

Fiscal Year Ending May 31st	2010 General Obligation Principal	2010 General Obligation Interest	2010 General Obligation Total	2011 General Obligation Principal	2011 General Obligation Interest	2011 General Obligation Total
2019	$ 65,000	$ 14,971.88	$ 79,971.88	$ 120,000	$ 35,243.75	$ 155,243.75
2020	70,000	13,537.50	83,537.50	125,000	32,331.25	157,331.25
2021	70,000	11,962.50	81,962.50	125,000	28,893.75	153,893.75
2022	75,000	10,146.88	85,146.88	130,000	25,068.75	155,068.75
2023	75,000	8,131.25	83,131.25	135,000	21,093.75	156,093.75
2024	80,000	5,950.00	85,950.00	140,000	16,881.25	156,881.25
2025	80,000	3,600.00	83,600.00	140,000	12,418.75	152,418.75
2026	80,000	1,200.00	81,200.00	145,000	7,696.88	152,696.88
2027	-	-	-	150,000	2,625.00	152,625.00
TOTALS	$ 595,000	$ 69,500.00	$ 664,500.00	$ 1,210,000	$ 182,253.13	$ 1,392,253.13

Fiscal Year Ending May 31st	2012 General Obligation Principal	2012 General Obligation Interest	2012 General Obligation Total	2013 General Obligation Principal	2013 General Obligation Interest	2013 General Obligation Total
2019	$ 95,000	$ 20,075.00	$ 115,075.00	$ 105,000	$ 38,087.50	$ 143,087.50
2020	95,000	18,175.00	113,175.00	110,000	35,400.00	145,400.00
2021	95,000	16,275.00	111,275.00	110,000	32,650.00	142,650.00
2022	100,000	14,325.00	114,325.00	115,000	29,837.50	144,837.50
2023	100,000	12,325.00	112,325.00	115,000	26,675.00	141,675.00
2024	105,000	10,275.00	115,275.00	120,000	23,150.00	143,150.00
2025	105,000	8,175.00	113,175.00	120,000	19,550.00	139,550.00
2026	110,000	6,025.00	116,025.00	125,000	15,796.88	140,796.88
2027	110,000	3,756.25	113,756.25	130,000	11,731.25	141,731.25
2028	115,000	1,293.75	116,293.75	135,000	7,256.25	142,256.25
2029	-	-	-	135,000	2,446.88	137,446.88
TOTALS	$ 1,030,000	$ 110,700.00	$ 1,140,700.00	$ 1,320,000	$ 242,581.25	$ 1,562,581.25

Fiscal Year Ending May 31st	2013 General Obligation Principal	2013 General Obligation Interest	2013 General Obligation Total
2019	$ 360,000	$ 16,550.00	$ 376,550.00
2020	365,000	7,937.50	372,937.50
2021	135,000	1,687.50	136,687.50
TOTALS	$ 860,000	$ 26,175.00	$ 886,175.00

Note: $106,980 of the principal listed above has been refunded and is being paid from a fully funded escrow account.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide, or cause to be provided,

(i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated September 5, 2018 of the Village relating to the Bonds under the headings "THE VILLAGE", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than "APPENDIX – C & D" and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending May 31, 2018, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending May 31, 2018; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time or, within sixty days following receipt by the Village of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Village of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults; if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of Bondholders; if material

(h) bond calls, if material, and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Bonds; if material

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the Village;

(m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The Village may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the Village determines that any such other event is material with respect to the Bonds; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

(iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Village reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its continuing disclosure undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Village reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Village, provided that, the Village agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

VILLAGE OF GREAT NECK
NASSAU COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

For the Year Ended May 31, 2017

Such Annual Financial Update Document and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

TABLE OF CONTENTS

As management of the Village of Great Neck (the "Village"), we offer readers the Village's financial statements in a narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2017.

FINANCIAL HIGHLIGHTS

As reflected in the government-wide financial statements, the assets of the Village exceeded its liabilities at May 31, 2017 by $3,555,533 (net position), of which $1,118,792 is unrestricted and may be used to meet the government's ongoing obligations to residents, business and creditors in accordance with the Village's fund designation and fiscal policies.

As reflected in the fund financial statements as of the close of the fiscal year, the Village's governmental funds reported an ending fund balance of $6,111,856. Of this amount, $920,865 is restricted, $946,999 is assigned and $4,243,992 is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

The required supplementary information can be found on pages 42 - 46 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the Village and are not included in the government-wide financial statements because their resources are not available to support the Village's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are included in the basic financial statement section of this report, while the Statement of Changes in Assets and Liabilities for agency funds is included in the combining and individual fund section of this report.

The fiduciary fund financial statements can be found on pages 17 - 18 of this report.

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

The notes to the financial statements can be found on pages 19 - 41 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

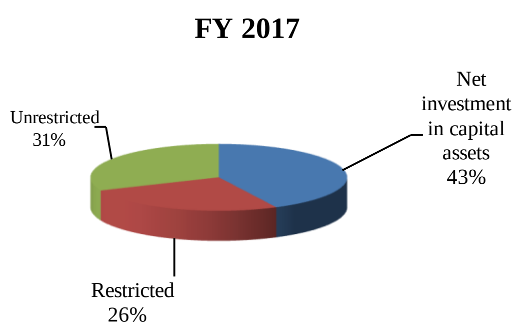
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At May 31, 2017, the Village's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $3,555,533 at the close of the most recent fiscal year.

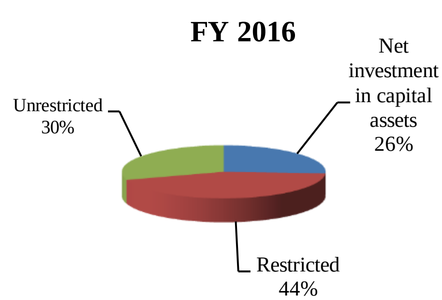
The Village has a net investment in capital assets, net of related debt totaling $1,515,876 at May 31, 2017, and a restricted balance of $920,865 for capital projects, workers compensation, unemployment benefits reserve, parkland trust, and debt service. The remaining balance of unrestricted net position totaling $1,118,792 may be used to meet the government's ongoing obligations to its residents and creditors.

VILLAGE'S NET POSITION

	Governmental Activities		
	2017	2016	Change
Assets:			
Current and other assets	$ 6,703,248	$ 6,298,961	$ 404,287
Capital assets (net of accumulated depreciation)	9,883,209	10,279,612	(396,403)
Deferred outflows of resources	454,655	1,218,989	(764,334)
Total Assets and Deferred Outflows of Resources	17,041,112	17,797,562	(756,450)
Liabilities:			
Current liabilities	1,851,582	1,848,839	2,743
Non-current liabilities	11,403,188	12,791,183	(1,387,995)
Deferred inflows of resources	230,809	286,730	(55,921)
Total Liabilities and Deferred Inflows of Resources	13,485,579	14,926,752	(1,441,173)
Net position:			
Net investment in capital assets	1,515,876	744,475	771,401
Restricted	920,865	1,266,822	(345,957)
Unrestricted	1,118,792	859,513	259,279
Total Net Position	$ 3,555,533	$ 2,870,810	$ 684,723

As of May 31, 2017 and 2016, the Village's three components of net position are as follows:



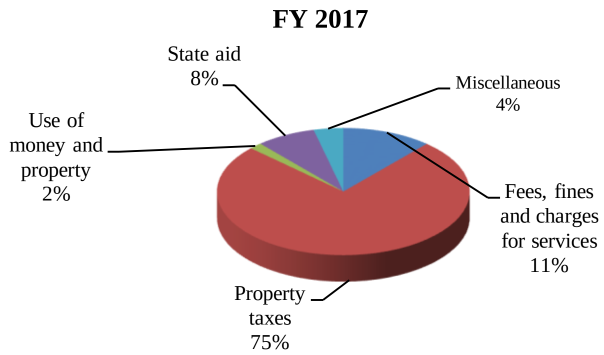


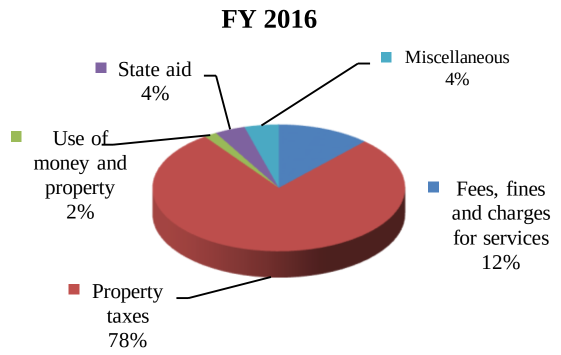
Currently, the largest portion of the Village's net position is the net investment in capital assets, which increased over the prior year by $771,401 as a result of the pay down of bonds and offset by current depreciation. The restricted net position decreased over the prior year by $345,957, which represents the amount of financial resources that are restricted to a particular use through state and local laws. The remaining portion of net position is unrestricted and will be used to meet the government's ongoing obligations to its residents and creditors.

Non-current liabilities decreased from $12,791,183 as of May 31, 2016 to $11,403,188 by $1,387,955. This decrease was due to pay down of outstanding general obligation bonds.

Analysis of the Village's Operations – Governmental activities increased the Village's net position by $684,723. The increase is primarily due to the state aid.

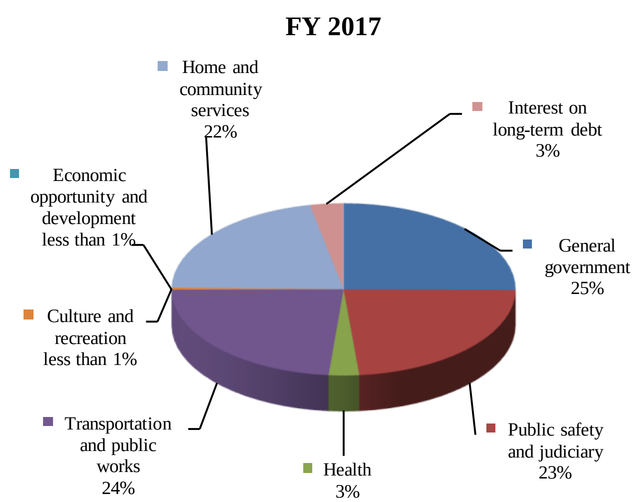
Revenue by Major Category
Governmental Activities
For the Fiscal Years Ended May 31, 2017 and 2016

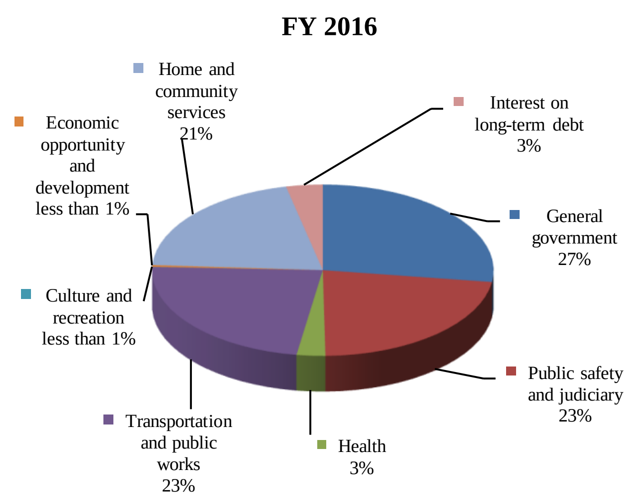




Overall, the Village's expenses for governmental activities were decreased by 3% or approximately $303,502. The decrease was primarily due to an unexpected decrease in general government, home and community services and employee benefits.

Expenses by Type
Governmental Activities
For the Fiscal Years Ended May 31, 2017 and 2016





The following table provides a summary of the Village's operations for the years ended May 31, 2017 and 2016.

VILLAGE'S CHANGES IN NET POSITION

	Governmental Activities		
	2017	2016	Change
Revenues:			
Program revenue:			
Fees, fines and charges for services	$ 1,118,818	$ 1,099,676	$ 19,142
General revenues:			
Property taxes and other property tax items	7,347,464	7,202,180	145,284
Use of money and property	160,994	153,229	7,765
State aid	743,733	361,701	382,032
Miscellaneous	368,845	406,174	(37,329)
Total Revenues	9,739,854	9,222,960	516,894
Program expenses:			
General government	2,272,813	2,547,333	(274,520)
Public safety	2,122,734	2,109,218	13,516
Health	257,928	253,373	4,555
Transportation and public works	2,129,309	2,163,472	(34,163)
Economic opportunity and development	1,500	2,500	(1,000)
Culture and recreation	33,516	32,466	1,050
Home and community services	1,952,295	1,926,032	26,263
Interest on long-term debt	285,036	324,239	(39,203)
Total Expenses	9,055,131	9,358,633	(303,502)
Special items:			
Special permit fee	-	417,500	(417,500)
	-	417,500	(417,500)
Change in Net Position	684,723	281,827	402,896
Net Position - June 1st	2,870,810	2,588,983	(281,827)
Net Position - May 31st	$ 3,555,533	$ 2,870,810	$ 684,723

Revenue Categories:

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

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

Expense Categories:

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

Public Safety – includes fire protection and safety inspection.

Health – is ambulance service.

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

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

Culture and Recreation – includes the parks and recreational related expenditures.

Home and Community Services – includes garbage, recycling programs and sanitary service.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

Fund Balances by Type
Governmental Funds

At the end of the fiscal year, the Village's governmental funds reported an ending fund balance of $6,111,856, an increase of $368,181 in comparison to the prior year. Of the total fund balance, $4,243,992 (69%) constitutes unassigned fund balance. The assigned fund balance of $946,999 has been designated by the Board of Trustees for subsequent year's expenditures ($539,228) and community benefit ($407,771). The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed (1) to pay for worker's compensation insurance of $5,426, (2) to pay for unemployment insurance of $29,749, (3) to pay for capital reserves of $323, (4) to pay for parkland trust reserves of $688,532, and (5) to pay for debt service of $196,835.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,243,992 and total fund balance was $5,226,166. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 56% of total General Fund expenditures.

The fund balance of the Village's General Fund increased by $714,286 during the fiscal year, to $5,226,166. The key factor in this was the state aid.

Capital Projects Fund - The fund balance of the Village's Capital Projects Fund decreased by $347,579 during the fiscal year to $323. The key factor in this was expenditures related to road construction.

Special Revenue Fund - The fund balance of the Village's Special Revenue Fund increased by $4,233 during the fiscal year to $688,532. The key factor in this was interest and dividend income.

Debt Service Fund - The fund balance of the Village's Debt Service Fund decreased by $2,759 during the fiscal year to $196,835. The key factor in this was principal and interest payments paid were more than monies received from the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village's General Fund adopted budget for the year ended May 31, 2017 was $9,831,055.

The budget was funded through a combination of revenues and transfers. The major funding sources were real property taxes of $7,197,711, other revenues of $2,025,508 and appropriated surplus of $607,836.

The General Fund performed favorably compared to budgeted revenues and favorably to budgeted expenditures.

Actual revenues were $9,705,940 compared to the original budget of $9,223,217 with a positive variance to budget of $482,723. This favorable variance was primarily due to the state aid.

Actual expenditures for the year were $7,538,485 compared to the original budget of $8,392,025 with a positive variance to budget of $853,540. This favorable variance was primarily due to an unexpected decrease in general government, home and community services and employee benefits.

CAPITAL ASSETS

The Village's net investment in capital assets for its governmental activities as of May 31, 2017, amounted to $9,883,209 (net of accumulated depreciation). This investment in capital assets includes land, land improvements including roads, firehouse consortium building, village buildings, machinery and equipment, and infrastructure.

Capital Assets at Year-End
Net of Accumulated Depreciation

	Governmental Activities	
	2017	2016
Land	$ 111,672	$ 111,672
Land improvements	425,439	463,477
Firehouse consortium building	998,645	1,035,632
Village buildings	282,305	297,568
Machinery and equipment	1,288,437	1,554,060
Infrastructure	6,776,711	6,817,203
Total	$ 9,883,209	$ 10,279,612

Additional information on the Village's capital assets can be found in Note 6 on page 29 of this report.

DEBT ADMINISTRATION

The Village borrows money in order to acquire land or equipment or construct buildings and improvements or infrastructure. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The Village pledges its full faith and credit for the payment of principal and interest. At the end of the fiscal year, the Village had total bonded debt of $8,367,333. In addition, there were no new serial bonds issued in fiscal year 2017.

Outstanding Debt at Year End

	Governmental Activities	
	2017	**2016**
General Obligation Bonds	$ 8,367,333	$ 9,535,137

Additional information on the Village's long-term debt can be found in footnote 7 on page 30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property Tax - The 2018 combined budget appropriations are $9,791,194 which is approximately a 0.5% decrease over the current year’s budget.

REQUEST FOR INFORMATION

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

SATTY, LEVINE & CIACCO, CPAS, P.C.
Certified Public Accountants & Business Advisors
Since 1949...People...Relationships...Results.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village of Great Neck, New York (the “Village”), as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village of Great Neck, as of May 31, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

125 Jericho Turnpike, Suite 200 • Jericho, New York 11753 • 516-338-9500 • 516-338-8862 fax • www.satty.com
201 South Lake Avenue, Suite 507 • Pasadena, California 91101 • 626-304-9745 • 626-304-9749 fax

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 8, the schedule of funding progress for other post-employment benefits on page 42, the schedule of funding progress for service award programs on page 43, budgetary comparison information on page 44, the schedule of the Village's proportionate share of the net pension (asset)/liability on page 45, and the schedule of the Village's contributions on page 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Great Neck's basic financial statements. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Satty, Levine & Ciacco CPAs PC

Satty, Levine & Ciacco, CPAs, P.C.
Jericho, New York
November 6, 2017

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2017

		GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	$	5,480,978
Accounts receivable		301,005
Due from fiduciary fund		400
Restricted assets:		
Cash and cash equivalents		920,865
TOTAL CURRENT ASSETS		6,703,248
NON-CURRENT ASSETS:		
Non-depreciable capital assets		111,672
Depreciable capital assets (net)		9,771,537
TOTAL NON-CURRENT ASSETS		9,883,209
TOTAL ASSETS		16,586,457
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		440,291
Deferred charge on refunding bonds, net of amortization		14,364
TOTAL DEFERRED OUTFLOWS OF RESOURCES		454,655
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	17,041,112
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$	325,122
Accrued interest payable		79,126
Accrued benefits		161,468
Current portion of long term liabilities (due within one year):		
General obligation bonds payable		1,105,866
Claims and judgments payable		180,000
TOTAL CURRENT LIABILITIES		1,851,582
NON-CURRENT LIABILITIES:		
Net pension liability - proportionate share		728,636
General obligation bonds payable		7,261,467
Compensated absences		166,273
Postemployment benefits other than pensions		3,246,812
TOTAL NON-CURRENT LIABILITIES		11,403,188
TOTAL LIABILITIES		13,254,770
DEFERRED INFLOWS OF RESOURCES		
Pensions		187,922
Premium on refunding bonds, net of amortization		42,887
TOTAL DEFERRED INFLOWS OF RESOURCES		230,809
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		13,485,579
NET POSITION:		
Net investment in capital assets		1,515,876
Restricted		920,865
Unrestricted		1,118,792
TOTAL NET POSITION		3,555,533
TOTAL LIABILITIES AND NET POSITION	$	17,041,112

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2017

FUNCTIONS/PROGRAMS:	EXPENSES	PROGRAM REVENUE: FEES, FINES AND CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:				
General government	$ 2,278,405	$ 1,633	$ -	$ (2,276,772)
Public safety and judiciary	2,126,379	949,399	-	(1,176,980)
Health	257,928	-	-	(257,928)
Transportation and public works	2,120,072	4,245	394,345	(1,721,482)
Economic opportunity and development	1,500	-	-	(1,500)
Culture and recreation	33,516	-	-	(33,516)
Home and community services	1,952,295	163,541	-	(1,788,754)
Interest on debt	285,036	-	-	(285,036)
TOTAL GOVERNMENTAL ACTIVITIES	$ 9,055,131	$ 1,118,818	$ 394,345	(7,541,968)
GENERAL REVENUES:				
Real property taxes				7,136,488
Other real property tax items				210,976
Non-property tax items				297,072
Use of money and property				160,994
Sale of property and compensation for loss				8,242
Mortgage tax and other state aid				349,388
Other				63,531
TOTAL GENERAL REVENUES				8,226,691
CHANGE IN NET POSITION				684,723
NET POSITION - BEGINNING				2,870,810
NET POSITION - ENDING				$ 3,555,533

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
BALANCE SHEETS
GOVERNMENTAL FUNDS
MAY 31, 2017

	MAJOR FUNDS				
	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE	DEBT SERVICE	TOTAL
ASSETS					
Cash and cash equivalents	$ 5,480,978	$ -	$ -	$ -	$ 5,480,978
Accounts receivable	34,735	-	-	-	34,735
Tax lien receivable	266,270	-	-	-	266,270
Due from fiduciary	400	-	-	-	400
Restricted cash and cash equivalents	35,175	323	688,532	196,835	920,865
TOTAL ASSETS	$ 5,817,558	$ 323	$ 688,532	$ 196,835	$ 6,703,248
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued expenses	$ 325,122	$ -	$ -	$ -	$ 325,122
TOTAL LIABILITIES	325,122	-	-	-	325,122
DEFERRED INFLOWS OF RESOURCES:					
Unearned revenue	266,270	-	-	-	266,270
TOTAL DEFERRED INFLOWS OF RESOURCES	266,270	-	-	-	266,270
FUND BALANCES:					
Restricted					
Workers compensation	5,426	-	-	-	5,426
Unemployment benefits reserve	29,749	-	-	-	29,749
Capital projects	-	323	-	-	323
Parkland trust	-	-	688,532	-	688,532
Debt service	-	-	-	196,835	196,835
Assigned					
Appropriated for subsequent year's budget	539,228	-	-	-	539,228
Community benefit	407,771	-	-	-	407,771
Unassigned					
Fund balance	4,243,992	-	-	-	4,243,992
TOTAL FUND BALANCES	5,226,166	323	688,532	196,835	6,111,856
TOTAL LIABILITIES AND FUND BALANCES	$ 5,817,558	$ 323	$ 688,532	$ 196,835	$ 6,703,248

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
MAY 31, 2017

TOTAL GOVERNMENTAL FUND BALANCE		$ 6,111,856
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT FROM THE GOVERNMENTAL FUNDS BECAUSE:		
The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and do not appear on the balance sheet. However, the government-wide statement of net position includes these capital assets among the assets of the Village as a whole, and their original costs are expensed annually over their estimated useful lives.		
Original cost of capital assets	21,101,382	
Accumulated depreciation	(11,218,173)	9,883,209
The Village's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include		
Deferred outflows of resources from pensions	440,291	
Net pension liability - proportionate share	(728,636)	
Deferred inflows of resources from pensions	(187,922)	(476,267)
Deferred charges associated with bond refundings are recognized as a deferred outflow of resources in the government-wide statements		14,364
Bond premiums associated with bond refundings are recognized as a deferred inflow of resources in the government-wide statements		(42,887)
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not recorded as a liability in the governmental funds balance sheet.		(79,126)
Property taxes receivable that will be collected in the future, but are not available within 60 days of year end are deferred in the governmental funds.		266,270
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.		
Serial bonds payable		(8,367,333)
Accrued vacation		(161,468)
Compensated absences		(166,273)
Claims and judgments		(180,000)
Postemployment benefits other than pensions		(3,246,812)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 3,555,533

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2017

	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE	DEBT SERVICE	TOTAL
REVENUES:					
Real property taxes	$ 7,341,450	$ -	$ -	$ -	$ 7,341,450
Non-property tax items	297,072	-	-	-	297,072
Departmental income	524,984	-	-	-	524,984
Use of money and property	143,816	1,920	4,233	11,025	160,994
License and permits	163,541	-	-	-	163,541
Fines and forfeitures	430,293	-	-	-	430,293
Sale of property and compensation for loss	8,242	-	-	-	8,242
Miscellaneous	52,809	-	-	-	52,809
State aid	743,733	-	-	-	743,733
TOTAL REVENUES	9,705,940	1,920	4,233	11,025	9,723,118
EXPENDITURES:					
General government	1,550,860	-	-	1,058	1,551,918
Public safety	1,764,561	-	-	-	1,764,561
Health	257,928	-	-	-	257,928
Transportation	1,196,686	371,091	-	-	1,567,777
Economic opportunity and development	1,500	-	-	-	1,500
Culture and recreation	2,950	-	-	-	2,950
Home and community services	1,051,015	-	-	-	1,051,015
Employee benefits	1,712,985	-	-	-	1,712,985
Debt service:					
Principal payments	-	-	-	1,167,804	1,167,804
Interest	-	-	-	276,499	276,499
TOTAL EXPENDITURES	7,538,485	371,091	-	1,445,361	9,354,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,167,455	(369,171)	4,233	(1,434,336)	368,181
OTHER FINANCING SOURCES (USES):					
Transfers in	-	21,592	-	1,431,577	1,453,169
Transfers out	(1,453,169)	-	-	-	(1,453,169)
TOTAL OTHER FINANCING SOURCES (USES)	(1,453,169)	21,592	-	1,431,577	-
NET CHANGE IN FUND BALANCES	714,286	(347,579)	4,233	(2,759)	368,181
FUND BALANCES - BEGINNING	4,511,880	347,902	684,299	199,594	5,743,675
FUND BALANCES - ENDING	$ 5,226,166	$ 323	$ 688,532	$ 196,835	$ 6,111,856

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2017

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	$ 368,181
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	461,031
Depreciation expense of capital assets is reported in the government-wide statement of activities and changes in net assets and it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(857,434)
Payment of debt principle is an expenditure in the government funds, and the payment reduces long-term liabilities in the statement of net position.	1,167,804
Governmental funds report revenues not collected within 60 days of year end as unearned revenues until subsequently collected. These transactions are recorded as revenues when earned in the statement of activities.	6,014
On the government-wide statement of activities the actual and projected long term expenditures for other postemployment benefits are reported whereas on the governmental funds statement only the actual expenditures are recorded for other postemployment benefits.	(349,252)
Accrued interest payable does not require the use of current financial resources and therefore is not reported as a liability in the governmental funds. The change in the liability is recognized in the governmental activities.	13,007
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the government funds:	
Changes in compensated absences and accrued vacation	(55,334)
Changes in net pension liability	639,122
Deferred inflows of resources	55,921
Deferred outflows of resources	(764,337)
CHANGE IN NET POSITION ON STATEMENT OF ACTIVITIES	$ 684,723

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
MAY 31, 2017

	ALERT FIRE COMPANY LENGTH OF SERVICE AWARD PROGRAM	AGENCY FUNDS
ASSETS:		
Cash and cash equivalents	$ -	$ 268,324
Service award program assets	2,303,145	-
TOTAL ASSETS	$ 2,303,145	$ 268,324
LIABILITIES:		
Developer and bid deposits	$ -	$ 267,924
Due to general fund	-	400
TOTAL LIABILITIES	$ -	$ 268,324
NET POSITION:		
Held in trust for retirement benefits	$ 2,303,145	

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED MAY 31, 2017

	ALERT FIRE COMPANY LENGTH OF SERVICE AWARD PROGRAM
ADDITIONS:	
Net investment realized/unrealized gain	$ 148,412
Employer contributions	196,705
Investment income and dividends	49,948
TOTAL ADDITIONS	395,065
DEDUCTIONS:	
Benefits paid to participants and beneficiaries	131,286
Investment expense	13,976
Administrative expense	25,193
TOTAL DEDUCTIONS	170,455
CHANGE IN NET POSITION:	224,610
NET POSITION HELD IN TRUST FOR RETIREE BENEFITS:	
BEGINNING OF YEAR	2,078,535
END OF YEAR	$ 2,303,145

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

Note 1. Summary of Significant Accounting Policies

A. Organization

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

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

B. Financial Reporting Entity

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

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

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

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

C. Basis of Presentation

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

Government-wide Financial Statements

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements

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

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

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

Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income and financial position. All assets and liabilities are included on the statement of fiduciary net position. These activities are not included in the government-wide financial statements because their resources are not available to be used for the benefit of the Village. The Village has presented the following fiduciary funds:

1. Agency funds account for assets held by the Village in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.
2. Fiduciary Funds are held in trust for awardees of the Length of Service Awards Program (LOSAP) of the Alert Engine Hook and Hose Company, No. 1 Inc. These assets are held for eligible participants and are reported on the Statement of Fiduciary Net Position, and the related activity is reported on the Statement of Changes in Fiduciary Net Position. All assets and liabilities are in total for the consortium.

D. Basis of Accounting

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.

b. Principal and interest on indebtedness are not recognized as expenditures until due.

c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as expenditures when paid.

E. Budgetary Data

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

a. On or before March 31st, the budget officer prepares estimates for each administrative unit.

b. No later than March 31st, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1st. This tentative budget includes proposed expenditures and the means of financing for the general fund.

c. No later than April 15th, a public hearing is conducted by the Board of Trustees to obtain comments.

d. No later than May 1st, the Board of Trustees adopts the budget of the Village of Great Neck.

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

F. Cash, Cash Equivalents and Investments

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

G. Receivables

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

H. Prepaid Items

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

Note 1. Summary of Significant Accounting Policies (continued)

I. Interfund Transactions

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

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

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

A detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity is provided subsequently in these notes.

J. Capital Assets

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

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

The Village evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. As of May 31, 2017, the Village has not recorded any such impairment losses.

K. Deferred Inflows and Deferred Outflows of Resources

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

L. Unearned Revenue

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

M. Compensated Absences

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

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

Note 1. Summary of Significant Accounting Policies (continued)

O. Use of Estimates

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

P. Other Benefits

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

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

Q. Short-Term Debt

The Village may issue bond anticipation notes (BAN's) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date. No BANs were issued for the fiscal year ended May 31, 2017.

R. Insurance

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

S. Equity Classifications

Government-wide Statements

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

> Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.
>
> Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
>
> Unrestricted net position – reports all other net position that do not meet the definition of "restricted" or "net investment in capital assets", and are deemed to be available for general use by the Village.

Governmental Fund Statements

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Restricted fund balances, including reserves in accordance with New York State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Restricted reserves currently in use by the Village include the following:

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

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

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

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

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

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

Unassigned – Represents the residual classification for the Village's general fund and could report a surplus or deficit. In funds other than the general fund, unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

T. Newly Adopted Accounting Principles

Effective June 1, 2016, the Village adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement provide guidance for determining fair value measurement for financial reporting purposes, guidance for applying fair value to certain investments, and disclosures related to all fair value measurements. The Village did not hold any assets or liabilities that were required to be disclosed under the measurement principles set by this standard.

Effective June 1, 2016, the Village adopted GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). This Statement had no material effect on the financial statements for the current period.

Effective June 1, 2016, the Village adopted GASB Statement No. 77, Tax Abatement Disclosures. The objective of this Statement is to require disclosures regarding tax abatement information regarding a governments own agreements or those entered into by other governments which reduce the reporting government's tax revenues. This Statement had no effect on the financial statements for the current period.

Effective June 1, 2016, the Village adopted GASB Statement No. 78, Pensions Provided Through Certain Multiple Employer Defined Benefit Pension Plans. This Statement amends the scope and applicability of GASB No. 68 to exclude pensions that meets certain criteria. The adoption of this standard did not effect the disclosures in the current year financial statements.

Effective June 1, 2016, the Village adopted GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement permits certain external investment pools to use amortized cost to measure pool investments. This Statement is did not have any effect on the current year financial statements.

Note 2. Budget Basis of Accounting

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

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

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

Note 3. Cash and Cash Equivalents

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

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

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

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

Cash and cash equivalents at May 31, 2017 consisted of the following:

Checking - non interest bearing	$	1,152,303
Checking - interest bearing		5,533,748
Money market - interest bearing		37,388
Total balances		6,723,439
Amount FDIC insured		564,595
Collateral held by Village's custodial banks		625,096
ICS - FDIC Insured		5,533,748
Total	$	6,723,439

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

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

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

At May 31, 2017 the cash in banks were entirely collateralized by the FDIC insurance, FHLB/LOC or securities held by the bank, in trust or third party, in the name of the Village.

Note 4. Real Property Taxes

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

Note 5. Interfund Receivables and Payables

The composition of the interfund receivables and payables at May 31, 2017 is as follows:

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

This balance is expected to be repaid within one year.

Interfund transfers – A schedule of interfund transfers for the year ended May 31, 2017, are as follows:

Receiving fund	Paying fund	Amount
Debt service fund	General fund	$ 1,431,577
Capital projects fund	General fund	21,592
	Total - fund financial statements	$ 1,453,169

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

Note 6. Changes in Capital Assets

A summary of capital assets transactions for the year ended May 31, 2017 is as follows:

PRIMARY GOVERNMENT:	Beginning Balance	Addition / Transfers	Retirements / Transfers	Ending Balance
Capital assets not being depreciated:				
Land	$ 111,672	$ -	$ -	$ 111,672
OTHER CAPITAL ASSETS:				
Land improvements	1,190,834	-	-	1,190,834
Firehouse consortium building	1,849,346	-	-	1,849,346
Buildings	776,605	-	-	776,605
Furniture, fixtures, machinery equipment & vehicles	5,794,235	-	-	5,794,235
Infrastructure:				
Roads, curbs, and sidewalks	10,917,659	461,031	-	11,378,690
TOTAL OTHER CAPITAL ASSETS	20,528,679	461,031	-	20,989,710
Less: Accumulated depreciation for:				
Land improvements	(727,356)	(38,038)	-	(765,394)
Firehouse consortium building	(813,713)	(36,987)	-	(850,700)
Buildings	(479,036)	(15,263)	-	(494,299)
Furniture, fixtures, machinery equipment & vehicles	(4,240,177)	(265,623)	-	(4,505,800)
Infrastructure:				
Roads, curbs, and sidewalks	(4,100,457)	(501,523)	-	(4,601,980)
Total Accumulated Depreciation	(10,360,739)	(857,434)	-	(11,218,173)
Other Capital Assets (Net)	10,167,940	(396,403)	-	9,771,537
Capital assets (Net)	$ 10,279,612	$ (396,403)	$ -	$ 9,883,209

Depreciation was charged to governmental functions as follows:

General government support	$ 23,624
Public safety	40,557
Transportation	762,687
Culture and recreation	30,566
Total governmental activities depreciation expense	$ 857,434

Note 7. Long Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended May 31, 2017.

	Beginning Balance	Increases	Reductions	Ending Balance	Due in one year
General obligation bonds	$ 9,535,137	$ -	$ (1,167,804)	$ 8,367,333	$ 1,105,866
Net pension liability - proportionate share	1,367,758	(639,122)	-	728,636	-
Postemployment benefits other than pensions	2,897,560	349,252	-	3,246,812	-
Claims and judgments	180,000	5,000	(5,000)	180,000	180,000
Compensated absences	158,541	7,732	-	166,273	-
TOTALS	$ 14,138,996	$ (277,138)	$ (1,172,804)	$ 12,689,054	$ 1,285,866

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

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

Description	Original Date Issued	Original Amount	Interest Rate (%)	Final Maturity Date	Balance Outstanding
Public Improvements	2/15/1990	$ 2,235,000	7.00%	8/1/2017	$ 90,000
Public Improvements	12/15/1994	922,000	2.70% - 6.10%	5/15/2023	210,000
Public Improvements	9/15/2007	1,600,000	3.50% - 4.00%	12/15/2023	645,478
Public Improvements	7/17/2008	1,700,000	3.37% - 4.00%	8/23/2024	940,000
Public Improvements	8/1/2009	1,500,000	2.00% - 3.65%	8/1/2024	905,000
Public Improvements	9/15/2010	1,000,000	2.00% - 3.00%	9/15/2025	660,000
Public Improvements	7/15/2011	1,825,000	2.25% - 3.50%	7/15/2026	1,325,000
Public Improvements	8/1/2012	1,450,000	2.00% - 2.25%	8/1/2027	1,120,000
Public Improvements	7/15/2013	1,700,000	2.50% - 3.63%	7/15/2028	1,425,000
Public Improvements	9/15/2013	$ 2,240,000	2.00% - 2.50%	9/15/2020	1,046,855
					$ 8,367,333

Note 7. Long Term Liabilities (continued)

Future principal and interest payments to maturity are as follows:

	General Obligation	
Year Ending May 31,	Principal	Interest
2018	$ 1,105,866	$ 240,800
2019	1,057,760	209,924
2020	1,086,979	179,735
2021	924,688	150,120
2022	823,906	122,697
2023-2027	2,983,134	256,000
2028-2029	385,000	10,997
TOTALS	$ 8,367,333	$ 1,170,273

Other Long-term Liabilities

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

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

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

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

Note 8. Pension Plans

State Wide Local Government Retirement System

Plan Description

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

Funding Policy

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

Note 8. Pension Plans (continued)

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

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

2017	$	340,740
2016	$	336,819
2015	$	472,468

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

At May 31, 2017, the Village reported a total liability of $728,636 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided by the NYSRSSL to the Village.

	ERS
Actuarial valuation date	April 1, 2016
Net pension liability	$ 728,636
Village's portion of the Plan's total net pension liability	0.0077546%

For the year ended May 31, 2017, the Village recognized pension expense of $399,209. At May 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences between expected and actual experience	$ 18,259	$ 110,648
Changes of assumptions	248,929	-
Net difference between projected and actual investment earnings on pension plan investments	145,538	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,565	77,274
Total	$ 440,291	$ 187,922

Note 8. Pension Plans (continued)

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

For the years ended	ERS
2018	$ 119,745
2019	119,745
2020	110,067
2021	(97,188)
2022	-
Thereafter	-
	$ 252,369

Actuarial Assumptions

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions.

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

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

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Note 8. Pension Plans (continued)

Asset Type	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	38.00%	4.55%
International equity	13.00%	6.35%
Private equity	10.00%	7.75%
Real estate	8.00%	5.80%
Absolute return strategies	3.00%	4.00%
Opportunistic portfolio	3.00%	5.89%
Real assets	3.00%	5.54%
Bonds and mortgages	18.00%	1.31%
Cash	2.00%	-0.25%
Inflation index bonds	2.00%	1.50%
	100.00%	

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

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%, which was a decrease of (.5%) from the discount rate used in the calculation of the total pension liability as of the beginning of the period. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.0%)	Current Assumptions (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension (asset)/ liability	$ 2,327,124	$ 728,638	$ (622,880)

Note 8. Pension Plans (continued)

Pension Plan Fiduciary Net Position
The components of the current-year net pension liability of the employers as of March 31, 2017, were as follows:

		ERS
		(Dollars in Thousands)
Employers' total pension liability	$	(177,400,586)
Plan net position		168,004,363
Employers' net pension assets/(liability)	$	(9,396,223)
Ration of plan net position to the employers' total pension liability		94.70%

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Contributions as of May 31, 2017 represent the projected employer contribution for the period of April 1, 2016 through March 31, 2017 based on estimated ERS wages, multiplied by the employer's contribution rate, by tier.

Length of Service Award Program (LOSAP)

Program Description

The Village jointly offers a defined benefit plan to encourage individuals to become and remain members of the Alert Engine, Hook, Ladder and Hose Co., No. 1, Inc. volunteer fire department. The four municipalities that jointly sponsor the plan are: the Town of North Hempstead and the Villages of Great Neck, Kings Point, and Saddle Rock. Each municipality recognizes their own pro-rata share of the program in accordance with an inter-municipal agreement, as follows: Town of North Hempstead 6.27%, Village of Great Neck 39.71%, Village of Kings Point 47.83% and Village of Saddle Rock 6.19%. The Plan is available to firefighters 17 years of age with one year of Service Award Program Credit ("qualifying") service. The entitlement age is 65. The monthly benefit is $20 per month for each year of service up to a maximum of 40 years.

The Plan, effective January 1, 1996, was established under General Municipal Law Article 11-A. Firefighters are fully vested after 5 years of qualifying service.

Participation, Vesting and Service Credit
In a defined benefit LOSAP, participating volunteers begin to be paid a Service Award upon attainment of the Program's entitlement age. An eligible Program participant is defined to be an active volunteer firefighter who is at least 17 years of age and has earned one year of Service Award Program Service Credit. The amount of the service award paid to a participant is based upon the number of years of service credit the volunteer earned under the Program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to be paid a service award after earning credit for 5 years of service or upon attaining the Program's entitlement age while an active volunteer. The Program's entitlement age is age 65. An active volunteer firefighter earns a year of service award program service credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive service award program service credit for 5 years of active volunteer firefighting service rendered prior to the establishment of the Program as an active volunteer firefighter member of the Alert Engine, Hook and Ladder and Hose Co. #1, Inc. of Great Neck.

Note 8. Pension Plans (continued)

Benefits

A participant's service award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals $20 multiplied by the total numbers of years of service award program service credit earned by the participant under the point system. The maximum number of years of service credit a participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn Program credit and to thereby increase their service award payments.

The pre-entitlement age death and disability benefit is equal to the actuarial value of the participant's earned service award at the time of death or disablement. If the participant was an active volunteer firefighter member at the time of death, the minimum death benefit is $10,000. The Program does not provide extra line-of-duty death or disability benefits. The minimum $10,000 death benefit is funded through a group term life insurance policy. All death and disability benefits are self-insured and are paid from the Program Trust Fund.

Fiduciary Investment and Control

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

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

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

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

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

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

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

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

Note 8. Pension Plans (continued)

Portions of the following information are derived from the annual report prepared by Program actuary, Penflex, Inc.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of January 1, 2017		$	2,870,279
Less: Assets Available for Benefits			
Cash and money market	55,839		
U.S. equities	704,747		
International equities	409,248		
Fixed income	1,062,637		
Benefits payable	6,940		
Total Net Assets Available for Benefits			2,239,411
Total Unfunded Benefits			630,868
Less: Unfunded Liability for Separately Amortized Costs			579,224
Unfunded Normal Benefits		$	51,644

Separately Amortized Costs

Prior service costs have been amortized and paid. The unfunded liability for additional Service Awards earned after attainment of the entitlement age is being amortized over 3 years at 5.50% from the year they are accrued. The remaining unfunded liability as of January 1, 2016 is being amortized over 19 years at 5.50% interest.

Receipts and Disbursements

Plan Net Assets, beginning of year		$	2,078,535
Change during the year:			
Contributions	196,705		
Investment income earned	49,948		
Change in fair market value of investments	148,412		
Investment expenses (RBC)	(13,976)		
Legal expenses	(11,550)		
Administrative fee (Comerica)	(4,717)		
Administrative fee (Penflex)	(1,011)		
Administrative fee (GWD Group)	(7,915)		
Benefits paid/payable	(131,286)		
Plan Net Assets, end of year		$	2,303,145

Contribution recommended by actuary:	$	196,705
Actual contribution made by the Sponsors:	$	196,705

Note 8. Pension Plans (continued)

In accordance with the Joint Sponsoring Board Municipal agreement, the allocation of the 2016 cost is:

Town of North Hempstead (6%)	$	12,338
Village of Great Neck (40%)		78,110
Village of Kings Point (48%)		94,082
Village of Saddle Rock (6%)		12,175
	$	196,705

Administration fees

Fees paid to administrative/actuarial services provider	$	7,915
Fees paid to insurance premiums		4,717
Fees paid for investment management		13,976
Fees paid to legal services		11,550
Other administration fee (Comerica Bank)		1,011
Total administration fees	$	39,169

Funding Methodology and Actuarial Assumptions

Normal costs

The actuarial valuation methodology used by the actuary to determine the Sponsor's contribution is the Attained Age Normal Frozen Initial Liability method. The assumptions used by the actuary to determine the Sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on Program Investments	5.50%
Table used for:	
Post Entitlement Age Mortality:	RP-2014 Male Mortablity Table without projection
*Pre-Entitlement Age Mortality:	None
*Pre-Entitlement Age Disability:	None
*Pre-Entitlement Age Withdrawal:	None
*Pre-Entitlement Age Service Credit accruals:	100%

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

Plan Description

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

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

Funding Policy

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

At this time there is no New York statute providing local governments with the authority for establishing a postemployment benefits trust. Since the Village cannot fund the OPEB liability at this time, the required contribution is based on a projected pay-as-you-go financing requirement. The contribution requirements of Plan members and the Village are established by the Board of Trustees. For the year ended May 31, 2017, the Village recognized a general fund expenditure of $323,263 for currently enrolled retirees.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 684,162
Interest on net OPEB obligation	144,878
Adjustment to annual required contribution	(156,525)
Annual OPEB cost (expense)	672,515
Age adjusted contributions made	(323,263)
Change in net OPEB obligation	349,252
Net OPEB obligation - beginning of year	2,897,560
Net OPEB obligation - end of year	$ 3,246,812

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

Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$ 672,515	$ 323,263	48.1%	$ 3,246,812
2016	$ 673,963	$ 313,734	46.6%	$ 2,897,560
2015	$ 664,744	$ 442,886	66.6%	$ 2,537,331

Funding Status and Funding Progress

As of May 31, 2015, the last valuation date, the actuarial liability for benefits was $7,908,889, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $2,073,428 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 381%.

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

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

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

Actuarial Methods and Assumptions

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

For the May 31, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5% discount rate and an annual healthcare cost rate of 9.0% grading down to 4.7% for medical, pharmacy 9.0% grading down to 4.7%, dental 4.0% grading down to 3.0%, and vision steady at 3.0%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at May 31, 2017 was 22 years.

Note 10. Commitments and Contingencies

State Grants

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

Tax Certiorari

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

Other

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

Note 11. Subsequent Events

The Village has evaluated events and transactions that occurred through November 6, 2017, which is the date the financial statements were available to issued, for possible disclosure and recognition in the financial statements.

Note 12. Recent Accounting Principles

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

In March 2016, GASB issued Statement No. 82*, Pension Issues –An Amendment of GASB Statements No. 67, No. 68. and No. 73.* This Standard clarifies certain issues raised in practice during the application and implementation of the pension standards and enhances consistency by clarifying existing standards. Portions of this Statement are effective for reporting periods beginning after June 15, 2016. Guidance provided under this standard for the "selection of assumptions" is effective for the employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

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

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

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

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

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

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS (Unaudited)
FOR THE YEAR ENDED MAY 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/31/2015	$ -	$ 7,908,889	$ 7,908,889	0%	$ 2,073,428	381.44%
5/31/2012	$ -	$ 7,143,502	$ 7,143,502	0%	$ 3,262,649	218.95%
5/31/2010	$ -	$ 6,337,517	$ 6,337,517	0%	$ 2,993,586	211.70%

The next actuarial valuation date is May 31, 2018.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR SERVICE AWARD PROGRAMS (Unaudited)
FOR THE YEAR ENDED MAY 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2017	$ 2,239,411	$ 2,870,279	$ 630,868	78.02%	n/a*	n/a*
1/1/2016	$ 2,055,823	$ 2,646,774	$ 590,951	77.67%	n/a*	n/a*
1/1/2015	$ 2,049,526	$ 2,351,272	$ 301,746	87.17%	n/a*	n/a*

* There is no covered payroll due to the fact that this is a volunteer fire department service program. Benefits are determined based upon service credits earned.

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
BUDGETARY COMPARISON SCHEDULE (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES:				
Real property tax items	$ 7,311,717	$ 7,311,717	$ 7,341,450	$ 29,733
Non-property tax items	260,000	260,000	297,072	37,072
Departmental income	428,300	428,300	524,984	96,684
Use of money and property	140,000	140,000	143,816	3,816
License and permits	131,600	131,600	163,541	31,941
Fines and forfeitures	550,100	550,100	430,293	(119,807)
Sale of property and compensation for loss	11,300	11,300	8,242	(3,058)
Miscellaneous	9,000	9,000	52,809	43,809
State aid	381,200	381,200	743,733	362,533
TOTAL REVENUES	9,223,217	9,223,217	9,705,940	482,723
EXPENDITURES:				
General government	1,949,000	1,949,000	1,550,860	398,140
Public safety	1,809,800	1,809,800	1,764,561	45,239
Health	280,050	280,050	257,928	22,122
Transportation	1,145,400	1,145,400	1,196,686	(51,286)
Economic opportunity and development	5,500	5,500	1,500	4,000
Culture and recreation	4,000	4,000	2,950	1,050
Home and community services	1,195,200	1,195,200	1,051,015	144,185
Employee benefits	2,003,075	2,003,075	1,712,985	290,090
TOTAL EXPENDITURES	8,392,025	8,392,025	7,538,485	853,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	831,192	831,192	2,167,455	1,336,263
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,439,030)	(1,439,030)	(1,453,169)	(14,139)
TOTAL OTHER FINANCING SOURCES	(1,439,030)	(1,439,030)	(1,453,169)	(14,139)
APPROPRIATED RESERVES:				
Appropriated reserves	607,838	607,838	-	(607,838)
NET CHANGE IN FUND BALANCE	$ -	$ -	714,286	$ 714,286
FUND BALANCE - BEGINNING			4,511,880	
FUND BALANCE - ENDING			$ 5,226,166	

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
MAY 31 2017

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

See independent auditors' report and notes to the financial reports

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)
SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED MAY 31, 2017

NYSLRS Pension Plan (ERS)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	$ 340,740	$ 336,819	$ 472,468	$ 429,205	$ 380,485	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	340,740	336,819	472,468	429,205	380,485	$ -	$ -	$ -	$ -	$ -
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 2,196,626	$ 2,318,793	$ 2,897,555	$ 2,973,562	$ 2,751,639	$ -	$ -	$ -	$ -	$ -
percentage of covered-employee payroll	15.5%	14.5%	16.3%	14.4%	13.8%	0.0%	0.0%	0.0%	0.0%	0.0%

See independent auditors' report and notes to the financial statements

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES:				
Real Property Tax Items				
Real property taxes	$ 7,197,711	$ 7,197,711	$ 7,130,474	$ (67,237)
Real property taxes - prior year	-	-	110,701	110,701
Payments in lieu of taxes	84,006	84,006	65,131	(18,875)
Penalties and interest on taxes	30,000	30,000	35,144	5,144
Total Real Property Tax Items	7,311,717	7,311,717	7,341,450	29,733
Non-Property Tax Items				
Utility fees	260,000	260,000	297,072	37,072
Total Non-Property Tax Items	260,000	260,000	297,072	37,072
Departmental Income				
Clerk fees	5,700	5,700	1,633	(4,067)
Safety inspection fees	401,000	401,000	495,056	94,056
Public works charges	800	800	4,245	3,445
Zoning fees	20,800	20,800	24,050	3,250
Total Departmental Income	428,300	428,300	524,984	96,684
Use of Money and Property:				
Interest and earnings	30,000	30,000	39,393	9,393
Rental of real property	110,000	110,000	104,423	(5,577)
Total Use of Money and Property	140,000	140,000	143,816	3,816
Licenses and Permits:				
Business and other	131,600	131,600	163,541	31,941
Special permit fee	-	-	-	-
Total Licenses and Permits	$ 131,600	$ 131,600	$ 163,541	$ 31,941

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES: continued				
Fines and Forfeitures:				
Fines and forfeiture	$ 550,100	$ 550,100	$ 430,293	$ (119,807)
Total Fines and Forfeitures	550,100	550,100	430,293	(119,807)
Sales of Property and Compensation for Loss:				
Sales of equipment and other losses	11,300	11,300	8,242	(3,058)
Total Sales of Property and Compensation for Loss	11,300	11,300	8,242	(3,058)
Miscellaneous:				
Refunds and other unclassified revenues	9,000	9,000	52,809	43,809
Total Miscellaneous	9,000	9,000	52,809	43,809
State Aid:				
Revenue sharing (per capita)	71,200	71,200	71,187	(13)
Mortgage tax	160,000	160,000	262,741	102,741
Other general	-	-	15,460	15,460
Highway aid (CHIPS)	150,000	150,000	394,345	244,345
Total State Aid	381,200	381,200	743,733	362,533
TOTAL REVENUES	$ 9,223,217	$ 9,223,217	$ 9,705,940	$ 482,723

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

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
EXPENDITURES:				
General Government Support:				
Board of Trustees	$ 49,300	$ 49,300	$ 18,727	$ 30,573
Justice Court	385,850	385,850	313,240	72,610
Mayor	13,750	13,750	10,308	3,442
Auditor	25,000	25,000	31,500	(6,500)
Clerk-Treasurer	414,300	414,300	401,065	13,235
Assessment	42,000	42,000	35,604	6,396
Tax advertising and expense	1,000	1,000	608	392
Law	157,500	157,500	141,707	15,793
Engineer	25,000	25,000	20,357	4,643
Election	5,200	5,200	6,965	(1,765)
Records management	9,000	9,000	5,951	3,049
Buildings	60,500	60,500	66,198	(5,698)
Central garage	128,600	128,600	153,473	(24,873)
Mail	19,000	19,000	10,687	8,313
Data processing	20,500	20,500	27,208	(6,708)
Insurance	190,000	190,000	178,523	11,477
Judgments and claims	180,000	180,000	32,831	147,169
Taxes	55,500	55,500	80,020	(24,520)
Contingencies	150,000	150,000	-	150,000
Other general expenses	17,000	17,000	15,888	1,112
Total General Government Support	$ 1,949,000	$ 1,949,000	$ 1,550,860	$ 398,140

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
EXPENDITURES: continued				
Public Safety:				
Fire contract	$ 1,360,000	$ 1,360,000	$ 1,319,665	$ 40,335
Safety inspection	438,300	438,300	436,115	2,185
Other public safety	11,500	11,500	8,781	2,719
Total Public Safety	1,809,800	1,809,800	1,764,561	45,239
Health:				
Ambulance contract	280,050	280,050	257,928	22,122
Total Health	280,050	280,050	257,928	22,122
Transportation:				
Street administration	237,100	237,100	245,490	(8,390)
Street construction	20,000	20,000	62,958	(42,958)
Street maintenance	716,600	716,600	717,556	(956)
Snow removal	86,600	86,600	60,276	26,324
Street lighting	75,000	75,000	101,789	(26,789)
Off-street parking	10,100	10,100	8,617	1,483
Total Transportation	1,145,400	1,145,400	1,196,686	(51,286)
Economic Assistance and Opportunity:				
Community relations	5,500	5,500	1,500	4,000
Total Economic Assistance and Opportunity	$ 5,500	$ 5,500	$ 1,500	$ 4,000

VILLAGE OF GREAT NECK
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND DETAIL (unaudited)
FOR THE YEAR ENDED MAY 31, 2017

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
EXPENDITURES: continued				
Culture and Recreation:				
Public events	$ 2,000	$ 2,000	$ 2,950	$ (950)
Park	2,000	2,000	-	2,000
Total Culture and Recreation	4,000	4,000	2,950	1,050
Home and Community Services:				
General environment	6,400	6,400	1,536	4,864
Refuse and garbage	1,128,100	1,128,100	986,652	141,448
Other	24,600	24,600	24,351	249
Street cleaning	36,100	36,100	38,476	(2,376)
Total Home and Community Services	1,195,200	1,195,200	1,051,015	144,185
Employee Benefits:				
State retirement	480,000	480,000	397,530	82,470
Social security	198,000	198,000	174,423	23,577
Workers' compensation	200,000	200,000	216,124	(16,124)
Disability insurance	15,000	15,000	21,190	(6,190)
Hospital, medical and dental insurance	1,110,075	1,110,075	903,718	206,357
Total Employee Benefits	2,003,075	2,003,075	1,712,985	290,090
Total Expenditures	8,392,025	8,392,025	7,538,485	853,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	831,192	831,192	2,167,455	1,336,263
OTHER FINANCING SOURCES (USES):				
Operating transfers (out)	(1,439,030)	(1,439,030)	(1,453,169)	(14,139)
Total Other Financing Sources (Uses)	(1,439,030)	(1,439,030)	(1,453,169)	(14,139)
APPROPRIATED RESERVES:				
Appropriated reserves	607,838	607,838	-	(607,838)
Net Change in Fund Balances	$ -	$ -	714,286	$ 714,286
Fund Balance - Beginning			4,511,880	
Fund Balance - End			$ 5,226,166	

FORM OF BOND COUNSEL'S OPINION

September 20, 2018

Village of Great Neck,
County of Nassau,
State of New York

Re: Village of Great Neck, Nassau County, New York
$2,955,000 Public Improvement (Serial) Bonds, 2018

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $2,955,000 Public Improvement (Serial) Bonds, 2018 (the "Obligations"), of the Village of Great Neck, New York (the "Obligor"), dated September 20, 2018, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (_____%) per annum as to bonds maturing in _____, payable on September 15, 2019 and semi-annually thereafter on September 15 and March 15, and maturing in the amount of $_________ on September 15, 2019, $_________ on September 15, 2020, $_________ on September 15, 2021, $_________ on September 15, 2022, $_________ on September 15, 2023, $_________ on September 15, 2024, $_________ on September 15, 2025, $_________ on September 15, 2026, $_________ on September 15, 2027, $_________ on September 15, 2028, $_________ on September 15, 2029, $_________ on September 15, 2030, $_________ on September 15, 2031, $_________ on September 15, 2032.

The Obligations maturing on or before September 15, 2025 shall not be subject to redemption prior to maturity. The Obligations maturing on or after September 15, 2026 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Village on September 15, 2025 or on any date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP