Great Neck Public Schools

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FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2025

GREAT NECK PUBLIC SCHOOLS

Great Neck, New York

GREAT NECK UNION FREE SCHOOL DISTRICT
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CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of Great Neck Union Free School District ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

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

Qualified Opinion on Extraclassroom Activities Fund

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of Great Neck Union Free School District, as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, General Fund, Special Aid Fund, School Food Service Fund, Debt Service Fund, Capital Projects Fund, Scholarships Fund, Permanent Fund, and Fiduciary Fund.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, special aid fund, school food service fund, debt service fund, capital projects fund, scholarships fund, permanent fund, and fiduciary fund of Great Neck Union Free School District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion and Unmodified Opinions

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

We are required to be independent of Great Neck Union Free School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

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

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

Change in Accounting Principle

As described in Note 2 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 101, *Compensated Absences*, as of June 30, 2025. Our opinion is not modified with respect to this new accounting principle.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of changes in the district's total OPEB liability and related ratios, schedule of the district's proportionate share of the net pension asset/(liability), and schedule of district's pension contributions on pages 4 through 19 and 64 through 67, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The other information on pages 68 through 71 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025, on our consideration of Great Neck Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Great Neck Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Great Neck Union Free School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

Port Jefferson Station, New York
October 30, 2025

The following is a discussion and analysis of the Great Neck Union Free School District's (the "District") financial performance for the year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's notes to financial statements and required supplementary information, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for year 2025 are as follows:

- On the district-wide financial statements, total net position (deficit) increased by $5,789,753, exclusive of the cumulative effect of a change in accounting principle of $(1,913,130) to $(40,858,438) for the year ended June 30, 2025, compared to a net position (deficit) balance of $(44,735,061) at June 30, 2024.

- The District reviewed the provisions of GASB Statement No. 101. "*Compensated Absences*" and its impact on the financial statements for the fiscal year ended June 30, 2025. As a result, the District reported a cumulative effect of change in accounting principle to the July 1, 2024 net position (deficit) of governmental activities of $(1,913,130).

- On the district-wide financial statements, the District's expenses for the year totaled $278,742,118. Of this amount, $18,295,007 was offset by program charges for services, and operating grants and contributions. General revenues of $266,236,864 amount to 94% of total revenues.

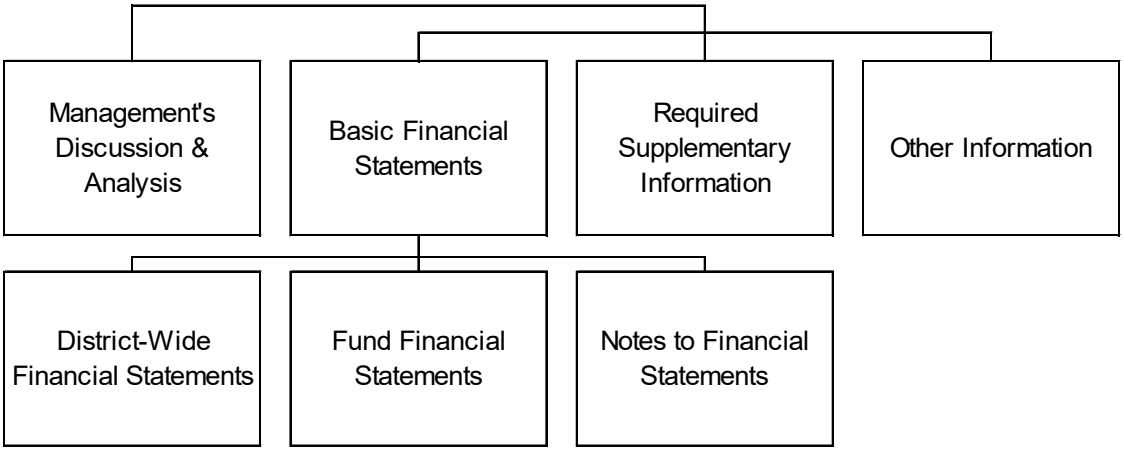
- The general fund's total fund balance, as reflected on the Governmental Funds Balance Sheet in the fund financial statements, decreased by $6,592,837 to $76,109,913.

- The general fund's unassigned fund balance at year end was $11,599,944. This represents an increase of $320,124 over the prior year.

- The District's 2025 property tax levy of $236,985,206 was a 3.26% increase over the 2024 tax levy. The District's property tax cap was 3.26%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary fund)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else.
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow of resources/liability/ deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflow of resources expected to be used up and liabilities and deferred inflow of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflow of resources (if any), liabilities and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Financial Statements

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

The Statement of Net Position

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

The Statement of Activities

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

Fund Financial Statements

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

Governmental Funds

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements.

By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activities fund, scholarships fund, and permanent fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Fund

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

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FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed Statement of Net Position

The District's total net deficit decreased by $3,876,623 between fiscal year 2024 and 2025. A summary of the District's Statements of Net Position follows:

	6/30/2025	6/30/2024	Change	Percent Change
Current and other assets	$ 131,115,139	$ 136,491,725	$ (5,376,586)	-3.9%
Capital assets, net	201,331,758	191,392,174	9,939,584	5.2%
Net pension assets - proportionate share	17,812,834	-0-	17,812,834	100.0%
Total assets	350,259,731	327,883,899	22,375,832	6.8%
Deferred outflows of resources	58,082,584	78,704,309	(20,621,725)	-26.2%
Current and other liabilities	26,492,216	25,162,252	1,329,964	5.3%
Non-current liabilities	322,303,443	337,444,912	(15,141,469)	-4.5%
Net pension liability - proportionate share	10,141,143	16,632,145	(6,491,002)	-39.0%
Total liabilities	358,936,802	379,239,309	(20,302,507)	-5.4%
Deferred inflows of resources	90,263,951	72,083,960	18,179,991	25.2%
Net position (deficit):				
Net investment in capital assets	143,899,514	128,443,179	15,456,335	12.0%
Restricted	86,697,727	68,954,891	17,742,836	25.7%
Unrestricted (deficit)	(271,455,679)	(242,133,131)	(29,322,548)	12.1%
Total net position (deficit)	$ (40,858,438)	$ (44,735,061)	$ 3,876,623	8.7%

Current and other assets decreased by $5,376,586 as compared to the prior year. The decrease is primarily related to decreases in cash balances as compared to the prior year, offset by increases in taxes receivable and due from other governments.

Capital assets, net of depreciation, increased by $9,939,584, as compared to the prior year. This increase was the result of capital asset additions exceeding depreciation expense. The accompanying Notes to Financial Statements, Note 9 "Capital Assets" provides additional information.

Net pension asset – proportionate share increased by $17,812,834, as compared to the prior year. This asset represents the District's share of the New York State Teachers' Retirement System (TRS) collective net pension asset at the measurement date of the respective year. The District reported a net pension liability as of June 30, 2024.

Deferred outflows of resources decreased by $20,621,725 as compared to the prior year. The deferred outflows of resources represents contributions to the pension plans subsequent to the measurement date and actuarial adjustments of the pension and other post-employment benefits plans that will be amortized in future years.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Condensed Statement of Net Position (continued)

Current and other liabilities increased by $1,329,964, as compared to the prior year. This increase was primarily due to increases in due to TRS, collections in advance, and compensated absences payable, offset by a decrease in accounts payable.

Non-current liabilities decreased by $15,141,469 as compared to the prior year. This decrease was primarily in connection with the decrease in the total other postemployment benefit liability and repayment of bond principal, offset by an increase in compensated absences resulting from the implementation of GASB Statement No. 101, *Compensated Absences.* See Note 11, 14 and 15 for additional information.

Net pension liability – proportionate share decreased by $6,491,002 in the current year. This liability represented the District's share of the New York State and Local Employees' Retirement System (ERS) net pension, at the measurement date of the plan. The decrease in net pension liabilities is primarily due to the net change in the market value of ERS' pension plan assets being in excess of the net change in the plan's total pension liabilities at current year measurement date.

Deferred inflows of resources represent actuarial adjustments at the pension plan level that will be amortized in future years, actuarial adjustments relating to the other postemployment benefits plan which will be amortized in future years, and deferred outflows related to leases receivable, which will be amortized over the life of the lease. This amount increased by $18,179,991, as compared to the prior year due to changes in the actuarial valuations.

The net investment in capital assets relates to the investment in capital assets at cost such as - land, construction-in-progress, buildings and improvements, site improvements, and furniture and equipment, net of depreciation and related debt. This increased over the prior year by $15,456,335 due to current year capital assets additions and current year principal payments, offset by depreciation expense.

Restricted net position at June 30, 2025 is $86,697,727 and is comprised of the District's reserves as seen in the fund balance section on the Balance Sheet – Governmental Funds, including nonspendable scholarships, and the District's proportionate share of the net pension asset for TRS.

The unrestricted net deficit of $(271,455,679) relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, in accordance with state guidelines, the District is only permitted to fund OPEB on a "pay-as-you-go" basis and is not permitted to accumulate funds for the total OPEB liability.

The District's total net position (deficit) decreased by $3,876,623 or 8.7%, inclusive of the cumulative effect of a change in accounting principle of $(1,913,130), to $(40,858,438) for the year ended June 30, 2025, compared to $(44,735,061), at June 30, 2024.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Changes in Net Position from Operating Results

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

	6/30/2025	6/30/2024	Increase (Decrease)	Percent Change
Revenues				
Program revenues:				
Charges for services	$ 9,976,316	$ 9,334,488	$ 641,828	6.9%
Operating grants and contributions	8,318,691	8,856,892	(538,201)	-6.1%
General revenues:				
Real property taxes	233,900,456	225,877,671	8,022,785	3.6%
Other tax items and STAR	11,462,322	11,208,763	253,559	2.3%
State aid	14,656,926	14,009,337	647,589	4.6%
Sale of property and compensation for loss	471,139	276,203	194,936	70.6%
Use of money and property	5,432,644	7,125,058	(1,692,414)	-23.8%
Other	313,377	1,448,297	(1,134,920)	-78.4%
Total revenues	284,531,871	278,136,709	6,395,162	2.3%
Expenses				
General support	38,669,962	36,578,754	2,091,208	5.7%
Instruction	215,147,313	223,544,904	(8,397,591)	-3.8%
Pupil transportation	17,833,575	17,312,703	520,872	3.0%
Community services	1,662,919	1,430,403	232,516	16.3%
Debt services - interest	1,594,363	1,748,623	(154,260)	-8.8%
School food service program	3,833,986	4,067,288	(233,302)	-5.7%
Total expenses	278,742,118	284,682,675	(5,940,557)	-2.1%
Change in net position	$ 5,789,753	$ (6,545,966)	$ 12,335,719	188.5%

The District's revenues increased by $6,395,162 or 2.3% for the year ended June 30, 2025. The main areas of increase were charges for services, real property taxes, and state aid, offset by decreases in operating grants and contributions, use of money and property, and other.

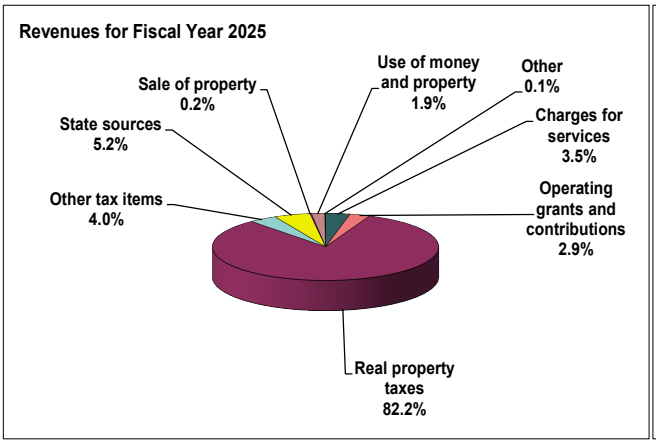
The District's expenses decreased by $5,940,557 or 2.1% for the year ended June 30, 2025. The decrease was primarily the result of the decrease in the District's share of the New York State Teachers' and Employees' Retirement System's collective net pension costs, and the decrease in OPEB expense resulting from the actuarial valuation of the District's OPEB liability.

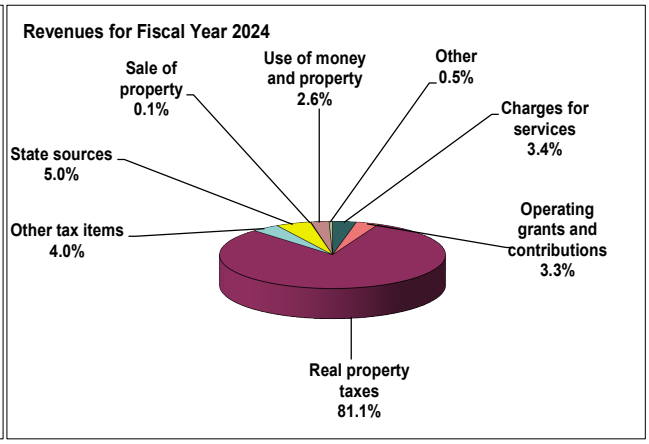
As indicated on the pie charts below, real property taxes is the largest component of revenues recognized, representing 82.2% and 81.1% of the total revenues for the years ended June 30, 2025 and 2024, respectively. Instruction expenses is the largest category of expenses incurred at 77.2% and 78.5% of the total expenses for the years ended June 30, 2025 and 2024, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

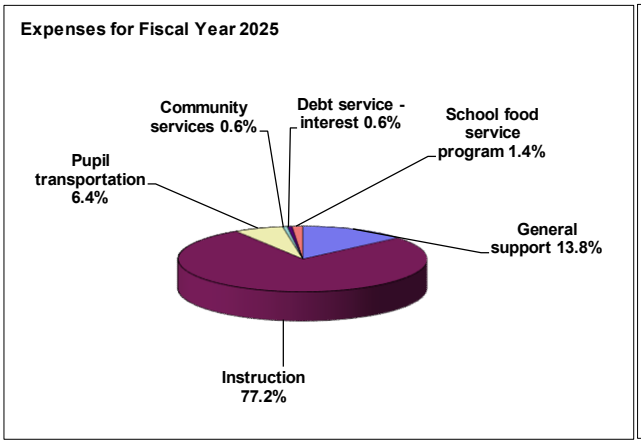
Changes in Net Position from Operating Results (continued)

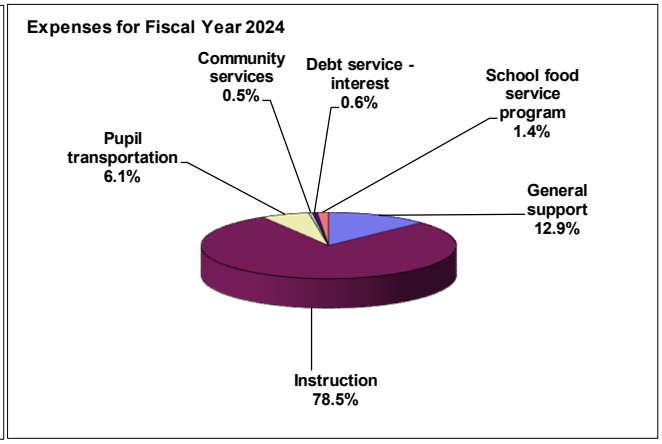
A graphic display of the distribution of revenues for the two years follows:





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





FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

At June 30, 2025, the District's governmental funds reported a combined fund balance of $104,428,993, which is a decrease of $5,503,667 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

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

	6/30/2025	6/30/2024	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable				
Prepaids	$ 34,700	$ 34,077	$ 623	1.8%
Long-term receivable	55,024	53,285	1,739	3.3%
Restricted:				
Capital	5,470,985	9,223,536	(3,752,551)	-40.7%
Unemployment insurance	2,685,570	2,605,729	79,841	3.1%
Employee benefit accrued liability reserve	16,558,458	17,027,363	(468,905)	-2.8%
Workers' compensation	10,448,754	11,016,939	(568,185)	-5.2%
Retirement contribution- ERS	21,452,315	24,083,495	(2,631,180)	-10.9%
Retirement contribution- TRS	2,592,270	2,608,089	(15,819)	-0.6%
Assigned	5,211,893	4,770,417	441,476	9.3%
Unassigned	11,599,944	11,279,820	320,124	2.8%
	76,109,913	82,702,750	(6,592,837)	-8.0%
School Food Service Fund				
Nonspendable: Inventory	110,009	114,300	(4,291)	-3.8%
Assigned	1,197,301	823,081	374,220	45.5%
	1,307,310	937,381	369,929	39.5%
Debt Service Fund				
Restricted: Debt	221,284	1,816,101	(1,594,817)	-87.8%
Capital Projects Fund				
Restricted: Capital	8,868,019	-	8,868,019	100.0%
Assigned	16,669,398	23,275,520	(6,606,122)	-28.4%
	25,537,417	23,275,520	2,261,897	9.7%
Extraclassroom Activities Fund				
Assigned	665,831	627,269	38,562	6.1%
Scholarships Fund				
Restricted: Scholarships	406,013	393,735	12,278	3.1%
Permanent Fund				
Nonspendable: Scholarships	177,007	179,904	(2,897)	-1.6%
Restricted: Scholarships	4,218	-	4,218	N/A
	181,225	179,904	1,321	0.7%
Total Fund Balance	$ 104,428,993	$ 109,932,660	$ (5,503,667)	-5.0%

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

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

General Fund

The general fund - fund balance decreased by $6,592,837 due to the budgeted use of fund balance and reserves. Actual revenues earned, including other financing sources, were higher than in the prior year by $9,126,562 predominantly due to increases in the tax levy, miscellaneous revenues, and State aid. Total expenditures, inclusive of other financing uses, were higher than the prior year by $22,971,425.

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

	Balance @ June 30, 2024	Use of Reserves	Interest	Funding	Balance @ June 30, 2025	Appropriated for June 30, 2026
Capital	$ 9,223,536	$ (8,868,019)	$ 368,941	$ 4,746,527	$ 5,470,985	$ -0-
Unemployment insurance	2,605,729	(24,388)	104,229		2,685,570	60,000
Employee benefit accrued liability	17,027,363	(1,150,000)	681,095		16,558,458	1,150,000
Workers' compensation	11,016,939	(1,008,863)	440,678		10,448,754	1,400,000
Retirement contribution - ERS	24,083,495	(3,594,520)	963,340		21,452,315	4,167,887
Retirement contribution - TRS	2,608,089	(2,400,000)	104,324	2,279,857	2,592,270	2,300,000
	$ 66,565,151	$ (17,045,790)	$ 2,662,607	$ 7,026,384	$ 59,208,352	$ 9,077,887

School Food Service Fund

The school food service fund - fund balance increased by $369,929, as compared to the prior year due to revenues exceeding expenditures on the modified accrual basis of accounting.

Debt Service Fund

The debt service fund - fund balance decreased by $1,594,817. The decrease is due to principal and interest payments on serial bonds and transfers out exceeding interest income and transfers in.

Capital Projects Fund

The capital projects fund - fund balance increased by $2,261,897. The District made total transfers of $16,520,378 from the general fund to fund capital projects, inclusive of the 25/26 voter approved proposition for the use of capital reserves of $8,868,019, which exceeded project expenditures of $14,258,481.

Extraclassroom Activities Fund

The net change in the extraclassroom activities fund – fund balance is an increase of $38,562, as a result of revenues of $1,221,279 in excess of expenditures of $1,182,717.

Scholarships Fund

The net change in the scholarships fund – fund balance is an increase of $12,278 as a result of revenues of $73,757 exceeding current year scholarship awards of $61,479.

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

Permanent Fund

The net change in the permanent fund – fund balance is an increase of $1,321, as a result of revenues of $8,271 in excess of expenditures of $6,950.

General Fund Budgetary Highlights

2024-2025 Budget

The District's general fund adopted budget for the year ended June 30, 2025, was $281,995,500. This amount was increased by encumbrances carried forward from the prior year in the amount of $670,998 and the approval of various budget adjustment increases of $8,973,519 for a total final budget of $291,640,017.

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

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

Opening, Unassigned Fund Balance	$ 11,279,820
Revenues and Other Financing Sources Over Budget	6,024,614
Expenditures, Other Financing Uses, and Encumbrances Under Budget	8,619,993
Increase in Nonspendable Fund Balance	(2,362)
Unused Appropriated Reserves	(721,017)
Allocation to Reserves	(9,688,991)
Appropriated for the 2025-2026 Budget	(3,912,113)
Closing, Unassigned Fund Balance	$ 11,599,944

Opening, Unassigned Fund Balance

The $11,279,820 shown in the table above is the portion of the District's June 30, 2024 fund balance that was reported as unassigned. This was 4.00% of the District's 2024-25 approved operating budget of $281,995,500.

Revenues and Other Financing Sources Over Budget

The 2024-2025 final budget for revenues and other financing sources was $269,102,793. Actual revenues and other financing sources recognized for the year were $275,127,407. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources amounted to $6,024,614. The District recognized the most significant revenues in excess of those anticipated in the following areas: other tax items, use of money and property, and state aid. Revenues over budget contributed directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2024 to June 30, 2025.

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

General Fund Budgetary Highlights (continued)

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2024-25 final budget for expenditures and other financing uses, including prior year open encumbrances and budget revisions amounted to $291,640,017. Actual expenditures and other financing uses as of June 30, 2025 were $281,720,244. Outstanding encumbrances as of June 30, 2025 were $1,299,780. Combined, the expenditures and other financing uses plus encumbrances for 2024-25 were $283,020,024. The final budget variance was $8,619,993. Budget categories with significant budgetary savings were as follows: central services, pupil services; pupil transportation and employee benefits. Expenditures and encumbrances under budget contributed directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2024 to June 30, 2025.

Increase in Nonspendable Fund Balance

Nonspendable fund balance consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Increases to the nonspendable fund balance decreases the District's unassigned portion of the fund balance by the amount of the increase. The $2,362 listed in the table on the previous page reflects the net increase to prepaids and long-term receivable.

Unused Appropriated Reserves

In the 2024-25 budget $8,898,788 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, $721,017 of the funding was not needed and therefore, was required to be returned to the reserves and is available for future use.

Allocation to Reserves

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

Assigned - Appropriated Fund Balance

The District has chosen to use $3,912,113 of its available June 30, 2025 fund balance to partially fund its 2025-26 approved operating budget.

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

General Fund Budgetary Highlights (continued)

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previously presented table, the District will begin the 2025-26 fiscal year with an unassigned fund balance of $11,599,944. This is an increase of $320,124, as compared to the prior year. This is 4.00% of the District's 2025-26 approved operating budget of $289,998,600.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025 and 2024, the District had invested in a broad range of capital assets, as shown in the table below. The net increase in capital assets is due to capital additions in excess of depreciation expense for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation, at June 30, 2025 and 2024 is as follows:

Category	6/30/2025	6/30/2024	% Change
Land	$ 2,798,112	$ 2,798,112	0.0%
Construction-in-progress	35,694,723	42,608,238	-16.2%
Building and improvements	128,067,793	113,657,389	12.7%
Site improvements	21,778,586	19,008,716	14.6%
Furniture and equipment	12,992,544	13,319,719	-2.5%
Totals	$ 201,331,758	$ 191,392,174	5.2%

Capital additions for the year ended June 30, 2025 were $15,607,817. Depreciation expense for the year was $5,653,973.

Debt Administration

A summary of the long-term debt at June 30, 2025 and 2024 is as follows:

Category	6/30/2025	6/30/2024	% Change
General obligation bonds, inclusive of premiums	$ 54,845,732	$ 57,584,728	-4.8%
Finance purchase agreements payable	313,899	626,120	-49.9%
Installment purchase debt	-0-	919,837	-100.0%
Total other postemployment benefits liability	243,503,160	257,600,845	-5.5%
Compensated absences payable	20,783,826	17,348,477	19.8%
Workers' compensation claims payable	2,856,826	3,364,905	-15.1%
Net pension liability - proportionate share	10,141,143	16,632,145	-39.0%
Totals	$ 332,444,586	$ 354,077,057	-6.1%

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

At June 30, 2025, the District had total bonds payable (inclusive of unamortized premiums) of $54,845,732. The decrease in outstanding debt represents scheduled principal payments.

At June 30, 2025, the District has finance purchase agreements payable of $313,899. The decrease represents scheduled principal payments.

At June 30, 2025, the District had total installment purchase debt payable of $0. The decrease in total installment purchase debt represents the complete payment of this debt.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 20, 2025, for the year ending June 30, 2026, is $289,998,600. This is an increase of $8,003,100 or 2.84% over the previous year's budget.

The District's adopted budget reflects non-property tax revenues at an increase of $774,435 over the current year's budget. The assigned-appropriated fund balance the District applied to the 2025-26 budget to reduce taxes is $3,912,113, which is a decrease of $187,306 compared to the prior year. The District appropriated $9,077,887 of restricted fund balance to be applied to the June 30, 2026 budget, which is an increase of $179,099. The adopted budget reflects an increase in property tax revenues of 3.05%, which is equal to the tax cap.

New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities and most school districts. For fiscal years beginning in 2012, no school district is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however there are permitted exceptions and adjustments. School districts can exceed the tax levy limit only by a 60% favorable vote by District's budget voters. The 3.05% increase in the property tax levy is in compliance with Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions.

CONTACTING THE DISTRICT

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

Mr. John O'Keefe
Deputy Superintendent
Great Neck Union Free School District
Phipps Administration Building
345 Lakeville Road
Great Neck, New York 11020

BASIC FINANCIAL STATEMENTS

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
June 30, 2025

ASSETS	
Cash and cash equivalents	
Unrestricted	$ 47,193,132
Restricted	68,884,893
Receivables	
State and Federal aid	2,820,057
Due from other governments	4,437,139
Taxes	6,220,920
Lease receivable	927,443
Other	486,846
Inventories	110,009
Prepaid expenditures	34,700
Total Current Assets	131,115,139
Non-depreciable capital assets	38,492,835
Depreciable capital assets, net of depreciation	162,838,923
Net pension assets-proportionate share	17,812,834
Total Non-Current Assets	219,144,592
Total Assets	350,259,731
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefits	8,550,074
Pensions	49,532,510
Total Deferred Outflows of Resources	58,082,584
LIABILITIES	
Accounts payable	5,413,027
Accrued liabilities	432,590
Retainage payable	609,827
Compensated absences payable	1,076,604
Due to other governments	109,304
Due to teachers' retirement system	13,421,593
Due to employees' retirement system	1,022,634
Other liabilities	76,503
Unearned credits: collections in advance	4,261,228
Accrued interest	68,906
Non-current liabilities	
Due and payable within one year:	
Bonds payable, inclusive of premiums	2,853,996
Finance purchase agreements payable	313,899
Total other postemployment benefits liability	7,241,303
Compensated absences payable	2,019,993
Workers' compensation claims payable	142,841
Due and payable after one year:	
Bonds payable, inclusive of premiums	51,991,736
Total other postemployment benefits liability	236,261,857
Compensated absences payable	18,763,833
Workers' compensation claims payable	2,713,985
Net pension liabilities - proportionate share	10,141,143
Total Liabilities	358,936,802
DEFERRED INFLOWS OF RESOURCES	
Lease related	872,419
Other postemployment benefits	66,060,981
Pensions	23,330,551
Total Deferred Inflows of Resources	90,263,951
NET POSITION (DEFICIT)	
Net Investment in capital assets	143,899,514
Restricted	86,697,727
Unrestricted (deficit)	(271,455,679)
Total Net Position (Deficit)	$ (40,858,438)

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 38,669,962			$ (38,669,962)
Instruction	215,147,313	$ 7,456,622	$ 6,329,444	(201,361,247)
Pupil transportation	17,833,575		137,573	(17,696,002)
Community services	1,662,919		350,000	(1,312,919)
Debt service - interest	1,594,363			(1,594,363)
School food service program	3,833,986	2,519,694	1,501,674	187,382
Total Functions and Programs	$ 278,742,118	$ 9,976,316	$ 8,318,691	(260,447,111)
GENERAL REVENUES				
Real property taxes				233,900,456
Other tax items and STAR				11,462,322
Nonproperty taxes				
Use of money and property				5,432,644
Sale of property and compensation for loss				471,139
State aid				14,656,926
Miscellaneous				78,849
Medicaid				234,528
Total General Revenues				266,236,864
Change in Net Position				5,789,753
Total Net Position (Deficit) - Beginning of Year, as reported				(44,735,061)
Cumulative Effect of Change in Accounting Principle				(1,913,130)
Total Net Position (Deficit) - Beginning of Year, as restated				(46,648,191)
Total Net Position (Deficit) - End of Year				$ (40,858,438)

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
ASSETS									
Cash and cash equivalents									
Unrestricted	$ 23,088,726	$ 1,386,139	$ 1,766,674		$ 20,285,762	$ 665,831			$ 47,193,132
Restricted	59,429,636				8,868,019		$ 406,013	$ 181,225	68,884,893
Receivables									
State and federal aid	790,704	1,951,481	77,872						2,820,057
Due from other governments	4,437,139								4,437,139
Due from other funds	4,617,117			$ 221,284					4,838,401
Taxes	6,220,920								6,220,920
Lease receivable	927,443								927,443
Other	299,576	185,736	1,534						486,846
Inventories			110,009						110,009
Prepaid expenditures	34,700								34,700
Total Assets	$ 99,845,961	$ 3,523,356	$ 1,956,089	$ 221,284	$ 29,153,781	$ 665,831	$ 406,013	$ 181,225	$ 135,953,540
LIABILITIES									
Accounts payable	$ 3,668,016	$ 75,910	$ 6,315		$ 1,662,786				$ 5,413,027
Accrued liabilities	371,753	22,547	38,290						432,590
Compensated absences payable	1,076,604								1,076,604
Due to other funds		2,561,598	323,469		1,953,334				4,838,401
Due to other governments	109,304								109,304
Due to teachers' retirement system	13,421,593								13,421,593
Due to employees' retirement system	1,022,634								1,022,634
Other liabilities	76,503								76,503
Unearned credits: collections in advance	3,117,222	863,301	280,705						4,261,228
Total Liabilities	22,863,629	3,523,356	648,779	$ -0-	3,616,120	$ -0-	$ -0-	$ -0-	30,651,884
DEFERRED INFLOWS OF RESOURCES									
Lease related	872,419								872,419
Unavailable revenues					244				244
Total Deferred Inflows of Resources	872,419	-0-	-0-	-0-	244	-0-	-0-	-0-	872,663
FUND BALANCES (DEFICIT)									
Non-spendable									
Inventories			110,009						110,009
Prepaids	34,700								34,700
Long-term receivable	55,024								55,024
Scholarships								177,007	177,007
Restricted:									
Debt service				221,284					221,284
Capital	5,470,985				8,868,019				14,339,004
Unemployment insurance	2,685,570								2,685,570
Employee benefit accrued liability	16,558,458								16,558,458
Workers' compensation	10,448,754								10,448,754
Retirement contribution - ERS	21,452,315								21,452,315
Retirement contribution - TRS	2,592,270								2,592,270
Scholarships							406,013	4,218	410,231
Assigned	5,211,893		1,197,301		16,669,398	665,831			23,744,423
Unassigned	11,599,944								11,599,944
Total Fund Balances	76,109,913	-0-	1,307,310	221,284	25,537,417	665,831	406,013	181,225	104,428,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 99,845,961	$ 3,523,356	$ 1,956,089	$ 221,284	$ 29,153,781	$ 665,831	$ 406,013	$ 181,225	$ 135,953,540

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT

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

June 30, 2025

Total Governmental Fund Balances		$ 104,428,993
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets - non-depreciable	$ 38,492,835	
Capital assets - depreciable	270,943,720	
Accumulated depreciation	(108,104,797)	201,331,758
Certain amounts reported for the deferred outflows of the District's other postemployment benefits and proportionate share of the net pension asset are not considered current available resources and are, therefore, not reported in the funds.		
Net pensions asset-proportionate share - TRS	17,812,834	
OPEB - deferred outflows	8,550,074	
Pensions - deferred outflows	49,532,510	75,895,418
Current and long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(68,906)	
Retainage payable	(609,827)	
General obligation bonds payable	(50,250,000)	
Unamortized bond premium	(4,595,732)	
Finance purchase agreements payable	(313,899)	
Total other postemployment benefits liability	(243,503,160)	
Compensated absences payable	(20,783,826)	
Workers' compensation claims payable	(2,856,826)	(322,982,176)
Revenue that was deferred on the fund statements because it does not meet the availability criteria under the modified accrual basis of accounting is not deferred in the statement of net position.		244
Certain amounts reported for the proportionate share of the District's pension liability and/or deferred inflows are not due and payable in the current period and, accordingly, are not reported in the funds.		
Net pension liability - proportionate share - ERS	(10,141,143)	
OPEB - deferred inflows	(66,060,981)	
Pensions - deferred inflows	(23,330,551)	(99,532,675)
Net Position (Deficit) of Governmental Activities		$ (40,858,438)

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
REVENUES									
Real property taxes	$ 233,900,456								$ 233,900,456
Other tax items	11,462,322								11,462,322
Charges for services	6,235,343					$ 1,221,279			7,456,622
Use of money and property	5,111,677		$ 81,957	$ 223,756			$ 15,254	$ 8,271	5,440,915
Sale of property and compensation for loss	471,139								471,139
Sales - school food service			2,494,842						2,494,842
Miscellaneous	1,171,306	$ 511,633	24,852				58,503		1,766,294
State aid	14,656,926	2,481,990	42,649						17,181,565
Federal aid	299,665	3,691,483	1,230,083						5,221,231
Surplus food			228,942						228,942
Total Revenues	273,308,834	6,685,106	4,103,325	223,756	$ -0-	1,221,279	73,757	8,271	285,624,328
EXPENDITURES									
General support	31,017,180							6,950	31,024,130
Instruction	143,559,818	8,059,929				1,182,717			152,802,464
Pupil transportation	16,973,467	137,573							17,111,040
Community service	953,554	350,000							1,303,554
Employee benefits	65,262,701								65,262,701
Debt service:									
Principal	1,232,058			2,425,000					3,657,058
Interest	31,417			1,882,275					1,913,692
Cost of sales			3,733,396						3,733,396
Scholarship and awards							61,479		61,479
Capital outlay					14,258,481				14,258,481
Total Expenditures	259,030,195	8,547,502	3,733,396	4,307,275	14,258,481	1,182,717	61,479	6,950	291,127,995
Excess (Deficiency) of Revenues Over Expenditures	14,278,639	(1,862,396)	369,929	(4,083,519)	(14,258,481)	38,562	12,278	1,321	(5,503,667)
OTHER FINANCING SOURCES AND (USES)									
Operating transfers in	1,818,573	1,862,396		4,307,275	16,520,378				24,508,622
Operating transfers (out)	(22,690,049)			(1,818,573)					(24,508,622)
Total Other Sources (Uses)	(20,871,476)	1,862,396	-0-	2,488,702	16,520,378	-0-	-0-	-0-	-0-
Net Changes in Fund Balances	(6,592,837)	-0-	369,929	(1,594,817)	2,261,897	38,562	12,278	1,321	(5,503,667)
Fund Balance - Beginning of Year	82,702,750	-0-	937,381	1,816,101	23,275,520	627,269	393,735	179,904	109,932,660
Fund Balance - End of Year	$ 76,109,913	$ -0-	$ 1,307,310	$ 221,284	$ 25,537,417	$ 665,831	$ 406,013	$ 181,225	$ 104,428,993

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ (5,503,667)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-term revenue and expense differences		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences payable		(1,522,219)
Some expenses requiring the use of current financial resources may exceed the amounts incurred during the year		
Workers' compensation claims payable		508,079
In the Statement of Activities, certain revenues are recognized when they provide current financial resources. However, these revenues are recognized in the Statement of Activities when they are earned.		(1,092,457)
Pension differences		
(Increases)/decreases in the proportionate share of net pension assets/liabilities and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	$ 1,937,902	
Employees' Retirement System	1,030,878	2,968,780
Other postemployment benefit (OPEB) differences		
(Increases)/decreases in the District's total OPEB liability and related deferred inflows and outflows do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		(3,673,584)
Capital related differences		
Governmental funds report capital outlays as expenditures while in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives as depreciation expense:		
Capital Outlay	15,607,817	
Depreciation expense	(5,653,973)	9,953,844
The net effect of capital asset disposals resulted in a decrease in net position.		(14,260)
Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. Retainage payable increased from the prior year by:		188,850
Long-term debt transaction differences		
Interest on long-term debt in the Statements of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2024 to June 30, 2025.	5,333	
The amortization of the deferred premium on the bonds, decreases interest expense in the Statement of Activities	313,996	319,329
Repayment of bond principal, finance purchase agreements, and installment purchase debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds from the issuance of debt and finance purchase agreements provides current financial resources to the governmental funds, but incurring debt increases long-term liabilities in the Statement of Net Position.		
Repayment of bond principal	2,425,000	
Repayment of finance purchase agreements	312,221	
Repayment of installment purchase debt principal	919,837	3,657,058
Change in Net Position of Governmental Activities		$ 5,789,753

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Custodial
ASSETS	
Cash and cash equivalents	
Unrestricted	$ -
Total Assets	$ -
LIABILITIES	
Other liabilities	$ -
Total Liabilities	$ -
NET POSITION	
Net Position	$ -

See Notes to Financial Statements.

GREAT NECK UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

	Custodial
ADDITIONS	
Real property taxes collected for the Library	$ 10,116,987
PILOT collections for the Library	149,574
Total Additions	10,266,561
DEDUCTIONS	
Disbursements of real property taxes to the Library	10,116,987
Disbursements of PILOT to the Library	149,574
Total Deductions	10,266,561
Change in Net Position	-0-
Net Position - Beginning of Year	-0-
Net Position - End of Year	$ -0-

See Notes to Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Joint Venture

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Funds:

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements (continued)

Special Revenue Funds (continued)

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

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

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

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

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

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

D. Basis of Accounting and Measurement Focus

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting and Measurement Focus (continued)

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

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

E. Real Property Taxes and Other Tax Items

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

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

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received $4,363,663 in LIPA PILOT revenue during the 2024-2025 fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Payments in Lieu of Taxes (PILOT) (continued)

PILOT payments collected on behalf of the Library are remitted to the Library. These pass-through amounts are not included in the District's other tax items revenue; however, the amounts are recorded within the custodial fund.

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

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

I. Use of Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Cash and Cash Equivalents/Investments

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

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

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

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

K. Accounts Receivable

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

L. Leases Receivable

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Inventories and Prepaid Items

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

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

Prepaid expenditures represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are repored as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

N. Capital Assets

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 5,000	Straight line	50 years
Site improvements	$ 5,000	Straight line	20 years
Furniture and equipment	$ 5,000	Straight line	5-20 years

O. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Deferred Outflows/Inflows of Resources (continued)

and changes in assumptions in the net pension assets and other postemployment benefits and the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. See Note 12 and Note 14.

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

P. Unearned Revenue

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

Q. Employee Benefits

Compensated Absences

The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns using a last in, first out ("LIFO") flow assumption to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the governmentwide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Other Benefits

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

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

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

S. Short-Term Debt

The District may issue revenue anticipation notes ("RAN") and tax anticipation notes ("TAN"), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. No RANs or TANs were issued or outstanding during the year ended June 30, 2025.

The District may issue bond anticipation notes ("BAN"), in anticipation of proceeds from the subsequent issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. No BANs were issued or outstanding during the year ended June 30, 2025.

T. Accrued Liabilities and Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications

District-Wide Statements

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

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

Restricted net position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted for TRS Pension is the component of net position that reports the amount of the TRS net pension asset in accordance with the provisions of GASB Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."*

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

Order of use of Net Position

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted- net position is applied.

Fund Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications (continued)

Fund Statements (continued)

Debt Service

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

Capital

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

Unemployment Insurance

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

Employee Benefit Accrued Liability

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

Workers' Compensation

According to General Municipal Law §6-j, this reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Equity Classifications (continued)

Workers' Compensation (continued)

appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

Retirement Contribution

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

Scholarships

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Equity Classifications (continued)

Order of Use of Fund Balance

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

V. New Accounting Standards

The District has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

GASB Statement No. 101, *Compensated Absences,* has been issued to update the recognition and measurement guidance for compensated absences. Adoption of this standard resulted in restatement of the July 1, 2024 net position. See note 22, Cumulative Effect of Change in Accounting Principle, for additional information.

GASB Statement No. 102, *Certain Risk Disclosures*, provides guidance on disclosures for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the District's fiscal year ended June 30, 2025. Management has determined that no events have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

W. Future Changes in Accounting Standards

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

GASB Statement No. 103, *Financial Reporting Model Improvements*, has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for the fiscal year ending June 30, 2026.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Future Changes in Accounting Standards (continued)

GASB Statement No. 104, Disclosure of Certain Capital Assets, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Governments must separately present lease assets, right-to-use assets from public-private or public-public partnerships, subscription assets and all other intangible assets by major class. For capital assets held for sale—assets a government has decided to sell with completion of the sale probable within one year of the financial statement date—governments must disclose the historical cost, accumulated depreciation (or amortization), and the carrying amount of any pledged debt related to those assets. This Statement affects only presentation and disclosure of capital assets, not recognition or measurement requirements. The requirements of this Statement are effective for the fiscal period ending June 30, 2026.

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

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

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

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

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

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

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

<u>Long-Term Revenue and Expense Differences</u>

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

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

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

Pension Differences

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

Other Postemployment Benefit (OPEB) Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year

unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets (continued)

new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Supplemental appropriations during the year included voter-approved appropriations of the capital reserve and state aid; in the amounts of $8,868,019 and $105,500, respectively.

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

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

B. Encumbrances

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

C. Unrestricted (deficit)

At June 30, 2025, the governmental activities reported an unrestricted deficit of $271,455,679. The deficit is primarily the result of unfunded liabilities, such as the total other postemployment benefits liability. The accumulated effect of this required recognition, coupled with the limitations from the state on funding, has resulted in a negative unrestricted position. The District remains committed to providing for funding in the budget and making payments for postemployment health coverage for eligible retirees in accordance with contractual arrangements.

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

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

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

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

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

Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3A, 5-G, §119-0, whereby it holds a portion of the investments in cooperation with other participants called New York Cooperative Liquid Assets Securities System ("CLASS"). The investments are highly liquid and are considered to be cash equivalents. CLASS is rated AAAm by Standard & Poor's.

Total investments of the cooperative as of June 30, 2025 are $14,121,818,326 which consisted of $3,819,691,492 in repurchase agreements, $9,710,499,474 U.S. Treasury Securities and $591,627,356 in collateralized bank deposits, with various interest rates and due dates.

Investment pool assets are reported as cash as follows:

Fund	Carrying Amount
General Fund	$ 19,015,378
School Food Service Fund	905,095
Capital Projects Fund	26,959,909
Scholarships Fund	294,338
Permanent Fund	181,225
	$ 47,355,945

The above amounts represent the market value of the investment pool shares. Additional information concerning the cooperative is presented in the annual report of the CLASS which can be found on its website at www.newyorkclass.org.

5. PARTICIPATION IN BOCES

During the year ended June 30, 2025, the District was billed $10,166,807 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,392,800. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

6. DUE FROM STATE AND FEDERAL AID

Due from state and federal aid at June 30, 2025, consisted of:

General Fund:		
NYS Excess Cost Aid	$	779,653
NYS Transportation Aid		11,051
		790,704
Special Aid Fund:		
Federal and State Grants		1,951,481
School Food Service Fund:		
Federal and State School Food Service Reimbursements		77,872
Total Due From State and Federal	$	2,820,057

District management expects these amounts to be fully collectible.

7. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2025, consisted of:

General Fund:		
NYS - Medicaid billing	$	255,950
Receiver of taxes -interest		471,652
BOCES		662,757
Other Districts		2,969,809
Nassau County - PILOT		76,971
	$	4,437,139

District management expects these amounts to be fully collectible.

8. LEASES RECEIVABLE

The District reports leases receivable and related deferred inflows of resources of $927,443 and $872,419, respectively, at June 30, 2025. For 2025, the District reported lease revenue of $304,610 and interest revenue of $7,731 related to lease payments received. These leases are summarized as follows:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Grace Avenue School	$ 143,562	$ 141,828	$ 60,783	$ 1,125
Grace Avenue School Social Center	194,058	191,714	82,163	1,521
Parkville Annex	589,823	538,877	161,664	5,085
	$ 927,443	$ 872,419	$ 304,610	$ 7,731

8. LEASES RECEIVABLE (continued)

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

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

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

9. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Retirements/ Reclassifications	Balance June 30, 2025
Capital assets that are not depreciated:				
Land	$ 2,798,112			$ 2,798,112
Construction in progress	42,608,238	$ 12,057,955	$ (18,971,470)	35,694,723
Total nondepreciable assets	45,406,350	12,057,955	(18,971,470)	38,492,835
Capital assets that are depreciated:				
Buildings and improvements	186,834,928	17,073,066		203,907,994
Site improvements	27,929,306	3,659,377		31,588,683
Furniture and equipment	34,600,737	1,788,889	(942,583)	35,447,043
Total depreciable assets	249,364,971	22,521,332	(942,583)	270,943,720
Less accumulated depreciation:				
Buildings and improvements	73,177,539	2,662,662		75,840,201
Site improvements	8,920,590	889,507		9,810,097
Furniture and equipment	21,281,018	2,101,804	(928,323)	22,454,499
Total accumulated depreciation	$ 103,379,147	$ 5,653,973	$ (928,323)	108,104,797
Total capital assets, net				$ 201,331,758

9. CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:	
General support	$ 1,937,307
Instruction	3,501,182
Pupil transportation	32,736
Community services	7,193
School food service program	175,555
Total governmental activities depreciation expense	$ 5,653,973

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2025, the District has not recorded any such impairment losses.

10. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2025, are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 4,617,117		$ 1,818,573	$ 22,690,049
Special Aid Fund		$ 2,561,598	1,862,396	
School Food Service Fund		323,469		
Debt Service Fund	221,284		4,307,275	1,818,573
Capital Projects Fund		1,953,334	16,520,378	
	$ 4,838,401	$ 4,838,401	$ 24,508,622	$ 24,508,622

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

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

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

The District typically transfers from the general fund to the special aid fund, debt service fund, and the capital projects fund in accordance with the general fund budget. The transfer to the special aid fund was for the District's share of the cost for the summer handicapped, state supported Section 4201 schools, pre-k and integrated programs. The transfer to the debt service fund was for the repayment of principal and interest on outstanding bond indebtedness. The transfer to the capital projects fund was for district-wide improvements per the approved budget and the 25/26 voter-approved proposition for capital reserve projects. The transfer from the debt service fund to the general fund was for interest earnings from bonds paid off in prior years.

11. LONG-TERM DEBT

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

	Beginning balance, as reported	Cumulative effect of change in accounting principle*	Beginning balance, as restated	Additions	Reductions	Ending balance	Non-current liabilities due and payable within one year	Non-current liabilities due and payable after one year
Long-term debt:								
General obligation bonds	$ 52,675,000	$ -0-	$ 52,675,000	$ -0-	$ 2,425,000	$ 50,250,000	$ 2,540,000	$ 47,710,000
Add:								
Premiums on obligations	4,909,728		4,909,728		313,996	4,595,732	313,996	4,281,736
	57,584,728	-0-	57,584,728	-0-	2,738,996	54,845,732	2,853,996	51,991,736
Finance purchase agreements	626,120		626,120		312,221	313,899	313,899	-0-
Installment purchase debt (energy performance contract)	919,837		919,837		919,837	-0-	-0-	-0-
Total other postemployment benefits liability	257,600,845		257,600,845	18,892,947	32,990,632	243,503,160	7,241,303	236,261,857
Compensated absences**	17,348,477	1,913,130	19,261,607	1,522,219		20,783,826	2,019,993	18,763,833
Workers' compensation claims payable	3,364,905		3,364,905		508,079	2,856,826	142,841	2,713,985
Net pension liability - proportionate share	16,632,145		16,632,145		6,491,002	10,141,143	-0-	10,141,143
Total non-current liabilities	$ 354,077,057	$ 1,913,130	$ 355,990,187	$ 20,415,166	$ 43,960,767	$ 332,444,586	$ 12,572,032	$ 319,872,554

*See note 22.
** Reported as net change.

The general fund is used to liquidate long-term liabilities including finance purchase agreements, installment purchase debt, total other postemployment benefits, compensated absences, workers' compensation claims, and net pension liability when they become due. The debt service fund is used to liquidate general obligation bonds when they become due.

Existing serial bond obligations:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/25
Serial Bond	June 2019	June 2039	2.75-5.00%	$ 27,230,000
Serial Bond	June 2020	June 2040	2.00-5.00%	7,495,000
Serial Bond	June 2021	June 2041	2.00-5.00%	9,935,000
Serial Bond	June 2022	June 2042	4.00-5.00%	5,590,000
				$ 50,250,000

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

	Principal	Interest	Total
Year ending June 30, 2026	$ 2,540,000	$ 1,761,025	$ 4,301,025
2027	2,670,000	1,634,025	4,304,025
2028	2,805,000	1,500,525	4,305,525
2029	2,940,000	1,360,275	4,300,275
2030	3,070,000	1,234,625	4,304,625
2031-2035	17,185,000	4,310,825	21,495,825
2036-2040	17,440,000	1,564,325	19,004,325
2041-2042	1,600,000	66,800	1,666,800
Totals	$ 50,250,000	$ 13,432,425	$ 63,682,425

11. LONG-TERM DEBT (continued)

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

Year ended June 30, 2026	$ 313,996
2027	313,996
2028	313,996
2029	313,996
2030	313,996
2031-2035	1,569,980
2036-2040	1,372,884
2041-2042	82,888
Total	$ 4,595,732

Interest on long-term debt for the year ended June 30, 2025 was comprised of:

Interest paid	$ 1,913,692
Less: interest accrued in the prior year	(74,239)
Less: amortization of premium	(313,996)
Plus: interest accrued in the current year	68,906
Total interest expense on long-term debt	$ 1,594,363

The District has purchased various iPads that are being financed between four to five years at interest rates ranging from 0.59% to 1.57%. The assets and related obligations are accounted for in the district-wide financial statements and are included in the summary for finance purchase agreements. See Note 9. The cost of the equipment that was capitalized, which is included in furniture and equipment, is $2,263,055 and accumulated depreciation as of June 30, 2025 is $1,851,740.

The following is a summary of finance purchase agreement requirements:

	Total
2026	$ 315,926
Total minimum payments	315,926
Less amounts representing interest	2,027
	$ 313,899

11. LONG-TERM DEBT (continued)

Remedies Upon Default in Bond Payments

The bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and remedies for enforcement of payment are not expressly included in the District's contract with such owners. Upon default in the payment of principal of or interest on the bonds at the suit of the owner, a court has the power, in proper and appropriate proceedings, to render judgment against the District. A court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy.

Section 99-b of the State Finance Law provides for a covenant between New York State and the purchasers and the holders and owners from time to time of the bonds issued by school districts in New York State. In the event a holder or owner of any bond issued by a school district for school purposes shall file with the Office of the New York State Comptroller (OSC), a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both. The OSC shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such state aid or assistance due to such school district such amount thereof as may be required to pay the principal of and interest on such bonds and notes of such school district then in default. In the event such state aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the OSC shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such state aid or assistance due such school district such amount or amounts thereof as may be required to cure such default.

12. PENSION PLANS

A. Pension Obligations

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

B. Plan Descriptions And Benefits Provided

Employees' Retirement System

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

12. PENSION PLANS (continued)

B. Plan Descriptions And Benefits Provided (continued)

Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Teachers' Retirement System

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

The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report ("ACFR") which can be found on the System's website at www.nystrs.org.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who contribute 3.0% (ERS) to 3.5% (TRS) of their salary for their entire length of service. In addition, employees that joined after April 1, 2012 are required to contribute between 3% and 6% depending on their salary through active membership. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. The District's contribution rate was 10.11% of covered payroll for the TRS' fiscal year ended June 30, 2024. The District's average contribution rate was 14.22% of covered payroll for the ERS' fiscal year ended March 31, 2025.

The District's share of required contributions, based on covered payroll for the District's year ended June 30, 2025 was $11,877,391 for TRS, at the contribution rate of 10.11%, and $3,654,852 for ERS at an average contribution rate of 14.22%.

12. PENSION PLANS (continued)

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

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) were measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation.

The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension liability (asset)	$ 10,141,143	$ (17,812,834)
District's portion of the Plan's net pension liability	0.0591468%	0.597023%
Change in proportion since the prior measurement date	-0.0080139	0.007353

For the year ended June 30, 2025, the District's recognized pension expense of $2,718,488 for ERS and $10,004,742 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ERS	TRS	Total	ERS	TRS	Total
Differences between expected and actual experience	$ 2,517,100	$19,181,151	$21,698,251	$ 118,733	$ -0-	$ 118,733
Changes of assumptions	425,299	10,655,684	11,080,983		1,792,386	1,792,386
Net difference between projected and actual earnings on pension plan investments	795,646		795,646		19,791,576	19,791,576
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,697,532	1,360,073	3,057,605	839,733	788,123	1,627,856
District's contributions subsequent to the measurement date	1,022,634	11,877,391	12,900,025			-0-
Total	$ 6,458,211	$ 43,074,299	$ 49,532,510	$ 958,466	$ 22,372,085	$ 23,330,551

The District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

12. PENSION PLANS (continued)

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

	ERS	TRS
Year ending June 30, 2025	$ -0-	$ (9,003,416)
2026	2,169,440	21,916,971
2027	2,880,786	(3,407,798)
2028	(650,779)	(3,842,638)
2029	77,664	2,297,935
Thereafter	-0-	863,769
	$ 4,477,111	$ 8,824,823

E. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.9%	6.95%
Salary scale	4.3%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.9%	2.4%
Cost of living adjustment	1.5%	1.3%

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

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

12. PENSION PLANS (continued)

E. Actuarial Assumptions (continued)

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

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

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

	ERS		TRS	
	Target Allocation	Long-term Expected Rate of Return *	Target Allocation	Long-term Expected Rate of Return *
Measurement date		March 31, 2025		June 30, 2024
Asset type				
Domestic equity	25.0%	3.54%	33.0%	6.60%
International equity	14.0%	6.57%	15.0%	7.40%
Global equity			4.0%	6.90%
Private equities	15.0%	7.25%	9.0%	10.00%
Real estate	12.0%	4.95%	11.0%	6.30%
Absolute return strategies*	3.0%	5.25%		
Real assets	4.0%	5.55%		
Bonds and mortgages	22.0%	2.00%		
Cash	1.0%	0.25%		
Credit	4.0%	5.40%		
Domestic fixed income securities			16.0%	2.60%
Global bonds			2.0%	2.50%
High yield bonds			1.0%	4.80%
Private debt			2.0%	5.90%
Real estate debt			6.0%	3.90%
Cash and equivalents			1.0%	0.50%
	100.0%		100.0%	

12. PENSION PLANS (continued)

E. Actuarial Assumptions (continued)

Real rates of return are net of the long-term inflation assumptions of 2.4% (TRS) and of 2.9% (ERS).

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

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability (asset)	$ 29,349,745	$ 10,141,143	$ (5,898,052)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability (asset)	$ 82,278,507	$ (17,812,834)	$ (101,992,337)

12. PENSION PLANS (continued)

H. Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	$ 247,600,239	$ 142,837,827
Plan Fiduciary Net Position	230,454,512	145,821,435
Employers' net pension liability	$ 17,145,727	$ (2,983,608)
Ratio of plan fiduciary net position to the Employers' total pension liability	93.08%	102.09%

I. Payables to The Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $1,022,634.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS covered wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $11,877,391 of employer contributions and $1,544,202 of employee contributions.

13. OTHER PENSION PLANS

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2025, totaled $1,674,647 and $8,677,990 respectively.

B. Deferred Compensation Plan

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

The amount deferred by eligible employees for the year ended June 30, 2025 totaled $1,118,864.

14. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

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

B. Benefits Provided

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

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

C. Employees Covered by Benefit Terms

The number of participants as of July 1, 2024, the effective date of the OPEB valuation, is as follows:

	Participants
Active employees	1,160
Inactive employees or beneficiaries currently receiving benefits	801
Total	1,961

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

D. Total OPEB Liability

The District's total OPEB liability of $243,503,160 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

E. Funding Policy

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

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

F. Actuarial Assumptions and Other Inputs

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

The total OPEB liability in the July 1, 2024 valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	3.00%
Discount rate	4.76%
Healthcare cost trend rates	
Pre-65	7.0% for January 1, 2026, decreasing per year to an ultimate rate of 4.5% in 2036
Post-65	7.0% for January 1, 2026, decreasing per year to an ultimate rate of 4.5% in 2036

The discount rate was based on an average of two 20-year bond indices (e.g. S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GO AA 20 Years) as of June 30, 2025. The average discount rate is 4.76%, which is a change from the prior valuation discount rate of 4.09%.

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

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

In the July 1, 2024 actuarial valuation, the liabilities were computed using the entry age normal method, using the level percentage of payroll method on an open basis to amortize the initial unfunded liability.

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

	Total OPEB Liability
Balance at June 30, 2024	$ 257,600,845
Changes for the year:	
Service cost	6,802,071
Interest on total OPEB liability	12,090,876
Changes of assumptions or other inputs	(25,808,935)
Benefit payments	(7,181,697)
Net Changes	(14,097,685)
Balance at June 30, 2025	$ 243,503,160

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

G. Changes in the Total OPEB Liability

The changes of assumptions or other inputs reflects the change in the discount rate from 4.09% to 4.76%.

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.76%) or 1-percentage-point higher (5.76%) than the current discount rate:

	One Percent Decrease 3.76%	Current Discount Rate 4.76%	One Percent Increase 5.76%
Total OPEB liability	$ 290,112,474	$ 243,503,160	$ 207,268,165

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	One Percent Decrease (6.0% to 3.5%)	Healthcare Cost Trend Rates (7.0% to 4.5%)	One Percent Increase (8.0% to 5.5%)
Total OPEB liability	$ 202,434,019	$ 243,503,160	$ 297,983,070

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

For the year ended June 30, 2025, the District recognized OPEB expense of $10,855,281. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 8,550,074	$ 66,060,981

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

For the years ending June 30, 2026	$ (14,368,203)
2027	(19,957,615)
2028	(10,557,661)
2029	(4,569,290)
2030	(4,276,776)
Thereafter	(3,781,362)
	$ (57,510,907)

15. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the Statement of Net Position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of June 30, 2025, the value of the accumulated vacation time and sick leave was $21,860,430, of which $1,076,604 is accrued in the general fund.

16. RISK MANAGEMENT

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

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that were incurred but not reported (“IBNR”) as of year-end. The actuarial assumptions utilized a 4% discount rate.

	2025	2024
Unpaid claims at beginning of year	$ 3,364,905	$ 3,254,605
Incurred claims and claim adjustments	(49,097)	1,082,314
Claim payments	(458,982)	(972,014)
Unpaid claims at year end	$ 2,856,826	$ 3,364,905

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

The amount of $3,912,113 has been assigned as the amount to be appropriated to reduce taxes for the year ending June 30, 2026.

18. FUND BALANCES - RESTRICTED - APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2025 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2026:

Unemployment insurance	$ 60,000
Employee benefit accrued liability	1,150,000
Workers' compensation	1,400,000
Retirement contribution - ERS	4,167,887
Retirement contribution - TRS	2,300,000
	$ 9,077,887

19. COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

General

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

C. Encumbrances

At June 30, 2025, the District encumbered the following amounts:

	General	Capital Projects
Assigned:		
General Support	$ 955,008	
Instruction	311,581	
Pupil Transportation	717	
Community Services	32,474	
Capital Projects		$ 13,290,703
Total Encumbrances	$ 1,299,780	$ 13,290,703

20. RESTRICTED FOR CAPITAL RESERVE

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

Date Created		May 2024
Number of Years to Fund		10
Maximum Funding	$	40,000,000
General Fund		
Funding Provided Since Inception	$	13,970,063
Interest Earnings Since Inception		368,941
Use of Reserve Since Inception		(8,868,019)
Total General Fund	$	5,470,985
Capital Projects Fund		
Funding Provided Since Inception	$	8,868,019
Use of Reserve		-
Total Capital Projects Fund	$	8,868,019
Balance as of June 30, 2025	$	14,339,004

21. TAX ABATEMENTS

The District is subject to tax abatements granted by the Nassau County Industrial Development Agency ("NCIDA"), an entity created as a New York State public benefit corporation. The NCIDA was established by Code Section 922, which became Chapter 674 of the Laws of 1975. The NCIDA offers several abatement programs on certain qualified projects to promote, retain, attract and encourage sound commerce and an industry base to prevent unemployment. Generally, a qualified project is an applicant submitted project which meets certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of NCIDA bonds, notes or other evidences of indebtedness with respect thereto or 2) is a straight lease transaction which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, as a condition of providing assistance, may require that the benefiting company remit a payment in lieu of taxes ("PILOT") payment to offset the amount of taxes abated. The NCIDA is authorized to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. In the case of the District, NCIDA granted abatements have resulted in reductions of property taxes, which is administered as a temporary reduction in the assessed value of the property involved. For the year ended June 30, 2025, the amount of District property tax abated was $6,989,914 and the payment in lieu of taxes received was $3,510,564.

22. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the District now also recognizes, as part of the compensated absences liability, an estimated amount of unused leave earned as of yearend that will be used by employees as time off in future years. As a result, the District has reported a cumulative effect of change in accounting principle to the July 1, 2024 net position. The effect of this restatement is illustrated in the table below:

	Governmental Activities
Net Position (Deficit) Beginning of Year, as Reported	$ (44,735,061)
Cumulative Effect of Change in Accounting Principle	(1,913,130)
Net Position (Deficit) Beginning of Year, as Restated	$ (46,648,191)

23. SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

GREAT NECK UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Local Sources				
Real property taxes	$ 236,985,206	$ 233,868,763	$ 233,900,456	$ 31,693
Other tax items	5,578,095	8,694,538	11,462,322	2,767,784
Charges for services	6,025,000	6,025,000	6,235,343	210,343
Use of money and property	2,880,460	2,880,460	5,111,677	2,231,217
Sale of property and compensation for loss	315,000	315,000	471,139	156,139
Miscellaneous	1,147,000	1,147,500	1,171,306	23,806
Total Local Sources	252,930,761	252,931,261	258,352,243	5,420,982
State aid	14,086,532	14,191,532	14,656,926	465,394
Federal aid	80,000	80,000	299,665	219,665
Total Revenues	267,097,293	267,202,793	273,308,834	6,106,041
OTHER FINANCING SOURCES				
Transfers from other funds	1,900,000	1,900,000	1,818,573	(81,427)
Total Revenues and Other Financing Sources	268,997,293	269,102,793	$ 275,127,407	$ 6,024,614
APPROPRIATED FUND BALANCE				
Assigned fund balances	4,099,419	4,099,419		
Appropriated reserves	9,569,786	18,437,805		
	13,669,205	22,537,224		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	$ 282,666,498	$ 291,640,017	275,127,407	

	Original Budget	Final Budget	Actual	Year-end Encumbrances	Variance With Final Budget and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 414,346	$ 399,786	$ 390,577		$ 9,209
Central administration	490,834	530,780	530,301		479
Finance	2,147,304	2,212,744	2,031,778	$ 66,572	114,394
Staff	1,576,635	1,598,699	1,450,557	6,803	141,339
Central services	24,290,189	25,102,960	23,222,631	881,633	998,696
Special items	3,375,823	3,456,642	3,391,336		65,306
Total General Support	32,295,131	33,301,611	31,017,180	955,008	1,329,423
Instruction					
Instruction, administration and improvement	9,126,366	8,884,620	8,653,711	42,331	188,578
Teaching - regular school	79,329,818	78,877,102	78,638,751	71,267	167,084
Programs for children with disabilities	19,761,341	20,066,429	19,744,132	30,378	291,919
Occupational education	360,000	227,188	227,187		1
Teaching - special school	17,475,420	17,188,844	17,072,039	951	115,854
Instructional media	5,256,907	5,483,887	5,418,271	9,585	56,031
Pupil services	13,664,431	14,485,522	13,805,727	157,069	522,726
Total Instruction	144,974,283	145,213,592	143,559,818	311,581	1,342,193
Pupil Transportation	17,483,654	17,571,628	16,973,467	717	597,444
Community Services	1,044,028	1,134,888	953,554	32,474	148,860
Employee Benefits	71,380,610	70,307,440	65,262,701		5,044,739
Debt Service - principal	1,232,058	1,232,058	1,232,058		-
Debt Service - interest	431,459	185,505	31,417		154,088
Total Expenditures	268,841,223	268,946,722	259,030,195	1,299,780	8,616,747
OTHER FINANCING USES					
Transfers to other funds	13,825,275	22,693,295	22,690,049		3,246
Total Expenditures and Other Uses	$ 282,666,498	$ 291,640,017	281,720,244	$ 1,299,780	$ 8,619,993
Net Change in Fund Balance			(6,592,837)		
Fund Balance - Beginning of Year			82,702,750		
Fund Balance - End of Year			$ 76,109,913		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

GREAT NECK UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

For the Last Eight Fiscal Years

Period	Total OPEB Liability - Beginning of the Period	Service cost	Interest on Total OPEB Liability	Differences between expected and actual experience	Changes in benefit terms	Changes of assumptions or other inputs	Benefit payments	Total OPEB Liability - End of the Period	Covered-employee payroll	Total OPEB Liability as a Percentage of Covered-employee Payroll
July 1, 2024 - June 30, 2025	$ 257,600,845	$ 6,802,071	$ 12,090,876	$ -0-	$ -0-	$ (25,808,935)	$ (7,181,697)	$ 243,503,160	$ 118,807,316	204.96%
July 1, 2023 - June 30, 2024	$ 250,831,976	$ 7,604,441	$ 10,118,654	$ -0-	$ -0-	$ (4,089,973)	$ (6,864,253)	$ 257,600,845	N/A *	
July 1, 2022 - June 30, 2023	$ 242,436,358	$ 7,596,376	$ 9,566,319	$ -0-	$ -0-	$ (2,210,286)	$ (6,556,791)	$ 250,831,976	$ 108,938,049	230.25%
July 1, 2021 - June 30, 2022	$ 338,606,587	$ 4,474,993	$ 12,650,568	$ -0-	$ -0-	$ (107,200,307)	$ (6,095,483)	$ 242,436,358	N/A *	
July 1, 2020 - June 30, 2021	$ 304,015,603	$ 7,636,010	$ 6,292,919	$ -0-	$ -0-	$ 26,500,013	$ (5,837,958)	$ 338,606,587	N/A *	
July 1, 2019 - June 30, 2020	$ 245,370,125	$ 6,572,568	$ 5,916,828	$ -0-	$ -0-	$ 51,910,466	$ (5,754,384)	$ 304,015,603	$ 103,673,779	293.24%
July 1, 2018 - June 30, 2019	$ 221,272,880	$ 2,842,276	$ 7,369,331	$ -0-	$ -0-	$ 19,009,334	$ (5,123,696)	$ 245,370,125	N/A *	
July 1, 2017 - June 30, 2018	$ 216,227,799	$ 2,524,236	$ 7,481,167	$ -0-	$ -0-	$ -0-	$ (4,960,322)	$ 221,272,880	$ 88,646,594	249.61%

* Not available in interim valuation year

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no other date prior to 2018 is available. However, additional years will be included as they become available.

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

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

Changes of assumptions.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period:

2025	4.76%
2024	4.09%
2023	4.00%
2022	3.77%
2021	2.09%
2020	2.44%
2019	3.10%
2018	3.50%

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

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

NYSERS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0591468%	0.0671607%	0.0622760%	0.0655302%	0.0646893%	0.0673596%	0.0705394%	0.0726173%	0.0754953%	0.0816308%
District's proportionate share of the net pension asset/(liability)	$ (10,141,143)	$ (9,888,770)	$ (13,354,479)	$ 5,356,820	$ (64,414)	$ (17,837,219)	$ (4,997,929)	$ (2,343,682)	$ (7,093,710)	$ (13,101,975)
District's covered-employee payroll	$ 25,498,338	$ 24,913,074	$ 25,498,435	$ 23,115,359	$ 22,739,269	$ 22,877,663	$ 22,964,670	$ 23,055,785	$ 23,372,487	$ 24,558,706
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	39.77%	39.69%	52.37%	23.17%	0.28%	77.97%	21.76%	10.17%	30.35%	53.35%
Plan fiduciary net position as a percentage of the total pension liability coming from plan.	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

NYSTRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.597023%	0.589670%	0.597279%	0.626528%	0.598559%	0.591647%	0.598482%	0.603227%	0.620657%	0.617738%
District's proportionate share of the net pension asset/(liability)	$ 17,812,834	$ (6,743,375)	$ (11,461,128)	$ 108,571,328	$ (16,539,818)	$ 15,371,031	$ 10,822,130	$ 4,585,127	$ (6,647,497)	$ 64,163,301
District's covered-employee payroll	$ 115,756,688	$ 108,871,633	$ 107,126,290	$ 107,693,266	$ 102,817,212	$ 100,230,613	$ 99,770,814	$ 96,950,900	$ 97,095,839	$ 94,210,358
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	15.39%	6.19%	10.70%	100.82%	16.09%	15.34%	10.85%	4.73%	6.85%	68.11%
Plan fiduciary net position as a percentage of the total pension liability coming from plan.	102.10%	99.20%	98.57%	113.25%	97.76%	102.16%	101.53%	100.66%	99.01%	110.46%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

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

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

NYSERS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,654,852	$ 3,212,474	$ 2,779,680	$ 3,638,036	$ 3,316,945	$ 3,291,585	$ 3,381,306	$ 3,484,201	$ 3,540,358	$ 4,359,556
Contributions in relation to the contractually required contribution	3,654,852	3,212,474	2,779,680	3,638,036	3,316,945	3,291,585	3,381,306	3,484,201	3,540,358	4,359,556
Contribution deficiency (excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered-employee payroll	$ 25,694,000	$ 24,795,784	$ 25,530,350	$ 23,392,225	$ 22,785,966	$ 22,892,933	$ 22,799,706	$ 23,030,643	$ 23,351,504	$ 24,562,999
Contributions as a percentage of covered-employee payroll	14.22%	12.96%	10.89%	15.55%	14.56%	14.38%	14.83%	15.13%	15.16%	17.75%

NYSTRS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 11,877,391	$ 11,297,853	$ 11,202,891	$ 10,368,858	$ 10,134,385	$ 9,001,274	$ 10,487,836	$ 9,553,626	$ 11,203,581	$ 12,699,584
Contributions in relation to the contractually required contribution	11,877,391	11,297,853	11,202,891	10,368,858	10,134,385	9,001,274	10,487,836	9,553,626	11,203,581	12,699,584
Contribution deficiency (excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered-employee payroll	$ 119,581,551	$ 115,756,688	$ 108,871,633	$ 107,126,290	$ 107,693,266	$ 102,817,212	$ 100,230,613	$ 99,770,814	$ 96,950,900	$ 97,095,839
Contributions as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.68%	9.41%	8.75%	10.46%	9.58%	11.56%	13.08%

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

OTHER SUPPLEMENTARY INFORMATION

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
For the Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 281,995,500
Add: Prior year's encumbrances	670,998
Original Budget	282,666,498
Add: Budget revisions	
Voter approved appropriation of the capital reserve	8,868,019
State aid	105,500
Final Budget	$ 291,640,017

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget		$ 289,998,600
Maximum allowed (4% of 2025-26 budget)		$ 11,599,944
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 5,211,893	
Unassigned fund balance	11,599,944	$ 16,811,837
Less:		
Appropriated fund balance	$ 3,912,113	
Encumbrances	1,299,780	5,211,893
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 11,599,944
Actual Percentage		4.00%

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

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING RESOURCES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

		Expenditures				Methods of Financing				Fund
PROJECT TITLE	Budget June 30, 2025	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2025
Five-Year Capital Plan										
Clover Drive Center		$ 150,864	$ 32	$ 150,896						
District-wide		284,873		284,873						
EM Baker School		582,462		582,462						
North High School		3,125		3,125						
North Middle School		803,160	180,576	983,736						
Parkville School		12,915	4,742	17,657						
Phipps Administration		259,704	42,623	302,327						
South Grounds		1,089,644		1,089,644						
South High School		386,777		386,777						
South Middle School		584,451	223	584,674						
Grace Ave		421,771	3,270	425,041						
Total Five-Year Capital Plan	$ 5,296,875	4,579,746	231,466	4,811,212	$ 485,663	$ -0-	$ -0-	$ 5,296,875	$ 5,296,875	$ 485,663
23/24 24/25 Capital										
Clover Drive		35,952	5,813	41,765						
EM Baker School		11,755	92,850	104,605						
Grave Avenue Senior Citizens Center		22,828	1,906	24,734						
John F. Kennedy School		21,570	170,946	192,516						
Lakeville School		12,968	246,276	259,244						
North High School		62,177	888,550	950,727						
North Middle School		45,955	105,926	151,881						
Parkville			832,725	832,725						
Saddle Rock		9,481	1,529	11,010						
South High School		6,634	145,160	151,794						
South Middle School		61,951	21,074	83,025						
Total 23/24 24/25 Capital	13,939,000	291,271	2,512,755	2,804,026	11,134,974	-0-	-0-	13,939,000	13,939,000	11,134,974
Building Conditions Projects										
Clover Drive Center		453,636	1,097	454,733						
Cumberland Center		80,210		80,210						
District-wide		1,773,184	1,415,716	3,188,900						
EM Baker School		919,404	165,286	1,084,690						
Grace Avenue		102,576		102,576						
Inland Building		472,793	617,923	1,090,716						
John F. Kennedy School		1,894,358	218,076	2,112,434						
Lakeville School		1,081,662	726,702	1,808,364						
ME Wiles		92,079		92,079						
North High School		2,909,726	894,294	3,804,020						
North Middle School		4,431,360	224,884	4,656,244						
North Field House		437,786		437,786						
Parkville School		953,868	299,091	1,252,959						
Phipps Administration		2,304,155	73,337	2,377,492						
Saddle Rock		1,831,854	61,864	1,893,718						
South High School		1,885,760	918,427	2,804,187						
South Middle School		2,484,322	16,887	2,501,209						
Village School		294,906		294,906						
Maintenance Garage Beach Rd		59,781		59,781						
Total Building Conditions Projects	31,260,106	24,463,420	5,633,584	30,097,004	1,163,102	-0-	581,567	30,678,539	31,260,106	1,163,102
Carried forward	**$ 50,495,981**	**$ 29,334,437**	**$ 8,377,805**	**$ 37,712,242**	**$ 12,783,739**	**$ -0-**	**$ 581,567**	**$ 49,914,414**	**$ 50,495,981**	**$ 12,783,739**

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

GREAT NECK UNION FREE SCHOOL DISTRICT
OTHER INFORMATION
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING RESOURCES - CAPITAL PROJECTS FUND (continued)
For the Year Ended June 30, 2025

		Expenditures				Methods of Financing				
PROJECT TITLE	Budget June 30, 2025	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2025
Brought forward	**$ 50,495,981**	**$ 29,334,437**	**$ 8,377,805**	**$ 37,712,242**	**$ 12,783,739**	**$ -0-**	**$ 581,567**	**$ 49,914,414**	**$ 50,495,981**	**$ 12,783,739**
Bus Purchase		-0-	179,359	179,359						
Total	179,359	-0-	179,359	179,359	-0-	-0-	-0-	179,359	179,359	-0-
Proposition 2019										
EM Baker School		5,933,752	195,900	6,129,652						
Lakeville School		1,749,843	174,913	1,924,756						
Total Proposition 2019	9,749,469	7,683,595	370,813	8,054,408	1,695,061	-0-	-0-	9,749,469	9,749,469	1,695,061
Proposition 2025 (Capital Reserve)										
North Middle School		-0-	-0-	-0-						
Total Proposition 2025	8,868,019	-0-	-0-	-0-	8,868,019	-0-	-0-	8,868,019	8,868,019	8,868,019
Proposition 2017 (Bond Projects)										
Clover Drive		1,591,605	64,102	1,655,707						
EM Baker School		10,401,186		10,401,186						
Grace Avenue		485,879	232,043	717,922						
John F. Kennedy School		4,084,205		4,084,205						
Lakeville School		3,749,189	93,139	3,842,328						
North High School		2,789,983	2,515,596	5,305,579						
North Middle School		8,514,885	2,133,205	10,648,090						
Parkville School		1,721,642		1,721,642						
Phipps Administration		1,371,806	115,614	1,487,420						
Saddle Rock		3,118,823	137,801	3,256,624						
South High School		15,937,014		15,937,014						
South Middle School		15,938,772		15,938,772						
Village School		621,127	39,004	660,131						
Total Proposition 2017	77,847,218	70,326,116	5,330,504	75,656,620	2,190,598	67,975,929	-0-	9,871,289	77,847,218	2,190,598
Totals	**$ 147,140,046**	**$ 107,344,148**	**$ 14,258,481**	**$ 121,602,629**	**$ 25,537,417**	**$ 67,975,929**	**$ 581,567**	**$ 78,582,550**	**$ 147,140,046**	**$ 25,537,417**

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

GREAT NECK UNION FREE SCHOOL DISTRICT

OTHER INFORMATION

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS

June 30, 2025

Capital assets, net		$ 201,331,758
Deduct:		
Capital related liablities		
Accounts payable	$ 1,662,786	
Retainage payable	609,827	
Short-term portion of bonds payable	2,540,000	
Long-term portion of bonds payable	47,710,000	
Premium on bonds payable	4,595,732	
Short-term portion of finance purchase agreements payable	313,899	(57,432,244)
Net Investment in capital assets		$ 143,899,514

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

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of Great Neck Union Free School District ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2025. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Report on Internal Control Over Financial Reporting

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

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

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

1650 ROUTE 112, PORT JEFFERSON STATION, NEW YORK 11776-3060
PHONE: 631-473-3400 • FAX: 631-473-4863 • WWW.CDLLP.NET

Report on Compliance and Other Matters

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

We noted a certain matter that we have reported to the Board of Education and management of Great Neck Union Free School District in a separate letter dated October 30, 2025.

Purpose of This Report

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

Cullen & Danowski, LLP

Port Jefferson Station, New York
October 30, 2025