

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

<u>Exhibit Number</u>		<u>Page</u>
I.	INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS	
	Independent Auditor's Report	2 – 4
1	Management's Discussion and Analysis (Required Supplementary Information) (MD&A)	5 – 21
2	Statement of Net Position	22
3	Statement of Activities	23
4	Balance Sheet – Governmental Funds	24
5	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	25
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
7	Reconciliation of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	27
8	Statement of Fiduciary Net Position – Fiduciary Fund	28
9	Statement of Changes in Fiduciary Net Position – Fiduciary Fund	29
10	Notes to Financial Statements	30 – 69
II.	REQUIRED SUPPLEMENTARY INFORMATION	
SS1	Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund	70 – 71
SS2	Schedule of District's Proportionate Share of Net Pension Asset/(Liability)	72
SS3	Schedule of District's Pension Contributions	73
SS4	Schedule of Changes in District's Total Other Post-Employment Benefits Liability and Related Ratios	74
III.	OTHER SUPPLEMENTARY INFORMATION	
SS5	Schedule of Change from Adopted Budget to Final Budget – General Fund and Section 1318 of Real Property Tax Law Limit Calculation	75
SS6	Schedule of Project Expenditures - Capital Projects Fund	76
SS7	Schedule of Net Investment in Capital Assets	77
IV.	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	78 – 79

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Central Islip Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Central Islip Union Free School District (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability and related ratios on pages 5 through 21 and 70 through 74, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
November 7, 2024

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a discussion and analysis of the Central Islip Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2024. 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 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 financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

- The District ended the year with a general fund unassigned fund balance of \$11,552,521, which represents 3.93% of the 2024-2025 voter approved budget (4.00% being the maximum allowable under New York State Real Property Tax Law § 1318).
- The District's total net deficit, as reflected in the District-Wide Financial Statements, decreased by \$27,893,103 or 9.26%, to a net deficit of \$273,413,448 based on the accrual basis of accounting.
- The District's combined governmental funds reported a total fund balance of \$134,798,242, which is an increase of \$55,920,967, or 70.90%, from the prior year. The increase was primarily due to increases in fund balance in the general fund and school lunch fund, partially offset by an increase in the deficit fund balance in the capital projects fund.
- Revenues in the general fund increased by \$43,790,407 or 17.02%, primarily due to increases in revenues from use of money and property and state sources. Expenditures increased by \$9,321,367 or 4.10% from the prior year primarily due to increases in general support, instruction, employee benefits, partially offset by decreases in debt service principal and interest.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

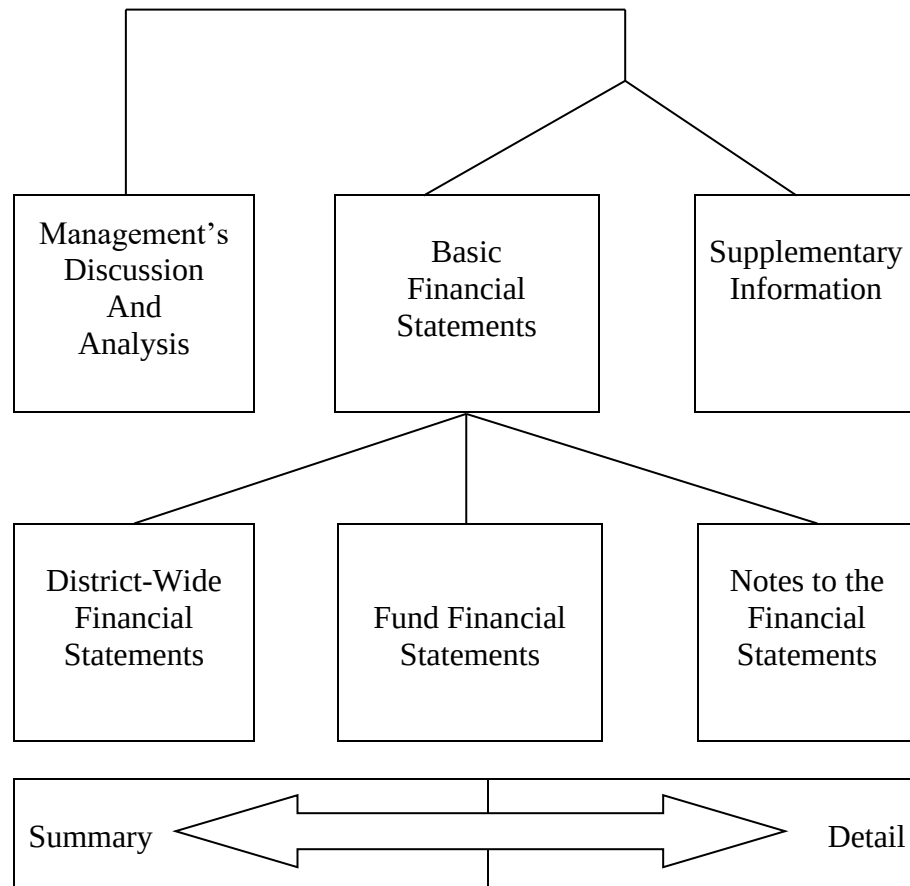
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short-term* as well as what remains for future spending.
 - *Fiduciary Fund Statements* provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others.

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The following Table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The Table below summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government
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 and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; these funds do not currently contain capital assets or intangible lease assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; 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

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A) District-Wide Financial Statements

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial health or position of the District.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets and intangible lease assets are reported as expenditures when financial resources (money) are expended to purchase, finance, or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation and amortization are not calculated as they do not provide or reduce current financial resources. Finally, capital assets, intangible lease assets, and long-term debt are all accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets and intangible lease assets;
- Report long-term debt as a liability;
- Depreciate capital assets, amortize intangible lease assets, and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets;*

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
- *Unrestricted net position (deficit)* is net position that does not meet any of the above restrictions.

B) Fund Financial Statements

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds*: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Fund Financial Statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, capital projects fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund*: The District is the custodian or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. This fund reports real property taxes and payments in lieu of taxes (PILOT) collected on behalf of other governments and disbursed to those governments.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position

The District's total net deficit decreased by \$27,893,103 in the fiscal year ended June 30, 2024, as detailed below.

Condensed Statement of Net Position - Governmental Activities

	2024	2023*	Change	Total Percentage Change
Current assets	\$ 177,966,998	\$ 125,607,085	\$ 52,359,913	41.69%
Noncurrent assets	123,185,348	114,956,966	8,228,382	7.16%
Total Assets	301,152,346	240,564,051	60,588,295	25.19%
Deferred outflows of resources	122,757,668	174,876,549	(52,118,881)	(29.80%)
Total Assets and Deferred Outflows	423,910,014	415,440,600	8,469,414	2.04%
Current liabilities	42,537,892	42,939,041	(401,149)	(0.93%)
Long-term liabilities	557,308,523	568,445,030	(11,136,507)	(1.96%)
Total Liabilities	599,846,415	611,384,071	(11,537,656)	(1.89%)
Deferred inflows of resources	97,477,047	105,363,080	(7,886,033)	(7.48%)
Total Liabilities and Deferred Inflows	697,323,462	716,747,151	(19,423,689)	(2.71%)
Net Position (Deficit)				
Net investment in capital assets	97,045,696	84,598,287	12,447,409	14.71%
Restricted	125,943,993	67,233,543	58,710,450	87.32%
Unrestricted (deficit)	(496,403,137)	(453,138,381)	(43,264,756)	9.55%
Total Net Position (Deficit)	<u>\$ (273,413,448)</u>	<u>\$ (301,306,551)</u>	<u>\$ 27,893,103</u>	(9.26%)

*Certain amounts in the prior year were reclassified to conform with the current year presentation. These reclassifications resulted in no net effect on total net position/fund balance.

Current assets and other assets increased by \$52,359,913 or 41.69%, primarily due to increases in cash and cash equivalents and due from other governments, partially offset by a decrease in state and federal aid receivable.

Noncurrent assets (capital assets net of accumulated depreciation and intangible lease assets net of accumulated amortization) increased by \$8,228,382 or 7.16%. This was attributable to current year construction in progress and capital additions exceeding current year depreciation and amortization expense.

The change in deferred outflows of resources represents amortization of the pension related items and the change in the District's contributions subsequent to the

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

measurement date, as discussed in Note 13, and the amortization of deferred outflows related to the total other post-employment benefits obligation, as discussed in Note 15.

Current liabilities decreased by \$401,149 or 0.93%, primarily due to a decrease in accounts payable, partially offset by increases in accrued liabilities and due to other governments.

Long-term liabilities decreased by \$11,136,507 or 1.96%, as a result of changes in actuarial valuations for employees' retirement system, teachers' retirement system and total other post-employment benefits obligation, as well as decreases in bonds payable, lease liability, and energy performance contract debt payable as a result of the principal payments due on outstanding balances.

The change in deferred inflows of resources represents amortization of pension related items, as discussed in Note 13, and the amortization of deferred inflows related to the total other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets, net of related debt, relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, construction in progress, buildings and improvements, and furniture and equipment, net of depreciation, amortization, and related debt. Net investment in capital assets increased by \$12,447,409 or 14.71%.

The restricted net position at June 30, 2024, relates to the District's general reserves established for specific purposes and amounts restricted for capital projects and debt service. Restricted net position increased by \$58,566,183 or 86.92%.

The unrestricted deficit relates to the balance of the District's net position. This deficit amount of \$496,403,137 increased by \$43,120,489 or 9.51% from the prior year.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B) Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

Change in Net Position from Operating Results - Governmental Activities Only

	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 1,023,272	\$ 1,777,788	\$ (754,516)	(42.44%)
Operating grants and contributions	27,025,400	31,412,909	(4,387,509)	(13.97%)
Capital grants	58,019	2,512,376	(2,454,357)	(97.69%)
General Revenues				
Real property taxes and other tax items	97,080,159	97,113,804	(33,645)	(0.03%)
Use of money and property	4,949,720	1,897,757	3,051,963	160.82%
Sale of property and compensation for loss	2,091,332	1,612,577	478,755	29.69%
Other	3,032,301	2,139,683	892,618	41.72%
State sources	193,424,604	153,422,044	40,002,560	26.07%
Total Revenues	<u>328,684,807</u>	<u>291,888,938</u>	<u>36,795,869</u>	12.61%
Expenses				
General support	40,055,160	37,064,685	2,990,475	8.07%
Instruction	239,335,756	227,616,023	11,719,733	5.15%
Pupil transportation	13,430,945	12,173,036	1,257,909	10.33%
Community service	203	-	203	N/A
Debt service - interest	680,834	829,564	(148,730)	(17.93%)
Food service program	7,288,806	6,759,501	529,305	7.83%
Total Expenses	<u>300,791,704</u>	<u>284,442,809</u>	<u>16,348,895</u>	5.75%
Total Change in Net Position	<u>\$ 27,893,103</u>	<u>\$ 7,446,129</u>	<u>\$ 20,446,974</u>	274.60%

State sources and real property taxes and other tax items accounted for most of the District's revenue by contributing 58.85% and 29.54%, respectively, of total revenue. The remainder came from fees from charges for services, operating grants and contributions, capital grants, use of money and property, and other miscellaneous sources.

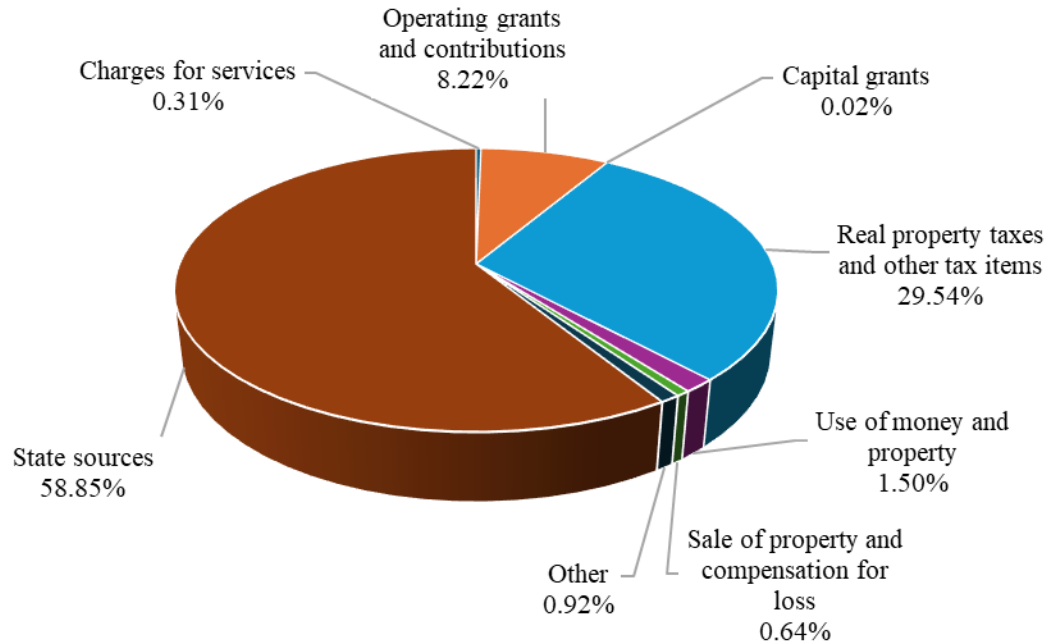
Charges for services decreased by \$754,516 or 42.44%, due to a decrease in tuition, health services. Operating grants and contributions decreased by \$4,387,509 or 13.97%, primarily in state and federal grant revenues received for District programs. State sources increased by \$40,002,560 or 26.07% as a result of current year state aid allocations.

The total cost of all programs and services totaled \$300,791,704 for the year. These expenses are predominantly related to instruction costs which account for 79.57% of District expenses and general support activities which accounted for 13.32% of total

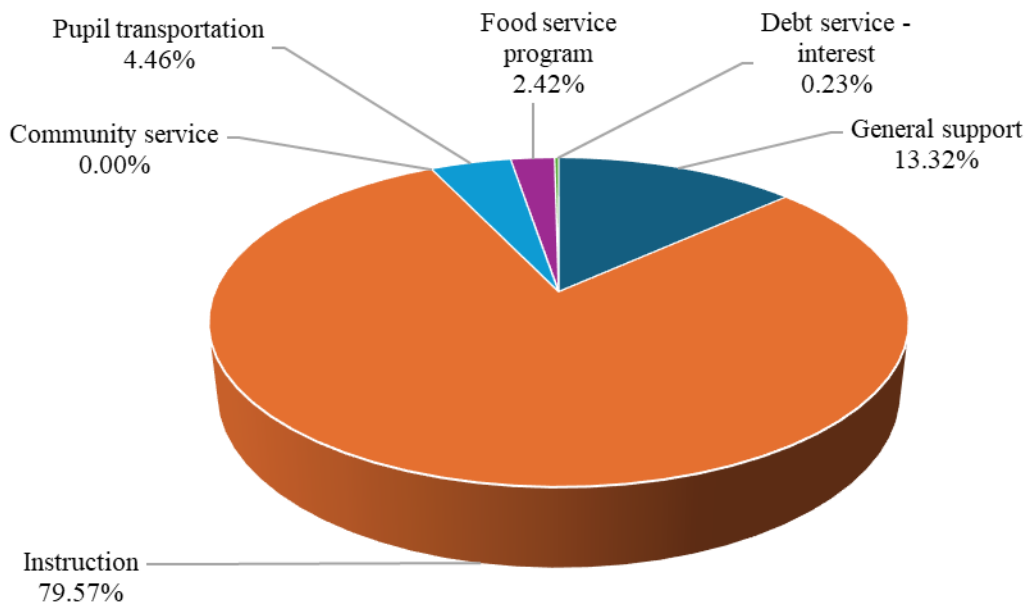
**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

costs. Instruction-related costs increased by \$11,719,733 or 5.15% due to the impact of allocations of the net change in pensions and other post-employment benefit related costs.

Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2024



**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$134,798,242. See the following table for more information.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A summary of the change in fund balance for all the funds is as follows:

	2024	2023*	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted:				
Employees' retirement system	\$ 32,298,360	\$ 16,256,450	\$16,041,910	98.68%
Teachers' retirement system	3,404,087	1,742,412	1,661,675	95.37%
Capital reserve	44,363,065	22,548,862	21,814,203	96.74%
Repairs	7,500,000	-	7,500,000	N/A
Property loss	83,979	78,921	5,058	6.41%
Insurance	500,000	-	500,000	N/A
Employee benefit accrued liability	35,436,200	24,374,018	11,062,182	45.39%
Workers' compensation	2,001,724	1,881,157	120,567	6.41%
Assigned:				
Encumbrances	556,487	284,466	272,021	95.63%
Unassigned:				
Unassigned	11,552,521	10,059,591	1,492,930	14.84%
Total Fund Balance - General Fund	<u>\$ 137,696,423</u>	<u>\$ 77,225,877</u>	<u>\$60,470,546</u>	78.30%
School Lunch Fund				
Nonspendable - inventory	\$ 25,671	\$ 25,562	\$ 109	0.43%
Assigned - unappropriated fund balance	4,193,056	3,458,535	734,521	21.24%
Total Fund Balance - School Lunch Fund	<u>\$ 4,218,727</u>	<u>\$ 3,484,097</u>	<u>\$ 734,630</u>	21.09%
Miscellaneous Special Revenue Fund				
Assigned - unappropriated fund balance	253,260	254,079	(819)	(0.32%)
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$ 253,260</u>	<u>\$ 254,079</u>	<u>\$ (819)</u>	(0.32%)
Capital Projects Fund				
Restricted for unspent bond proceeds	225,053	482,353	(257,300)	(53.34%)
Unassigned deficit	(7,951,799)	(2,925,709)	(5,026,090)	171.79%
Total Fund Balance Deficit - Capital Projects Fund	<u>\$ (7,726,746)</u>	<u>\$ (2,443,356)</u>	<u>\$ (5,283,390)</u>	216.23%
Debt Service Fund				
Restricted for debt service	<u>\$ 356,578</u>	<u>\$ 356,578</u>	<u>\$ -</u>	0.00%
Total Fund Balance - All Funds	<u>\$ 134,798,242</u>	<u>\$ 78,877,275</u>	<u>\$55,920,967</u>	70.90%

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

* Certain amounts in the prior year were reclassified to conform with the current year presentation. These reclassifications resulted in no net effect on total net position/fund balance.

A) General Fund:

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 85,818,746	\$ 85,153,846	\$ 664,900	0.78%
Other tax items	11,261,413	11,959,958	(698,545)	(5.84%)
Charges for services	468,503	844,784	(376,281)	(44.54%)
Use of money and property	4,949,306	1,894,157	3,055,149	161.29%
Sale of property and compensation for loss	2,091,332	1,612,577	478,755	29.69%
Miscellaneous	2,350,503	1,504,761	845,742	56.20%
State sources	193,424,604	153,422,044	40,002,560	26.07%
Federal sources	680,416	862,289	(181,873)	(21.09%)
Total Revenues	<u>301,044,823</u>	<u>257,254,416</u>	<u>43,790,407</u>	17.02%
Other Financing Sources				
Premium on obligations	-	3,840	(3,840)	(100.00%)
Operating transfers in	81,687	89,394	(7,707)	(8.62%)
Total Other Financing Sources	<u>81,687</u>	<u>93,234</u>	<u>(11,547)</u>	(12.38%)
Expenditures				
General support	26,464,277	24,908,923	1,555,354	6.24%
Instruction	124,705,044	119,304,356	5,400,688	4.53%
Pupil transportation	12,426,550	11,839,297	587,253	4.96%
Community service	203	-	203	N/A
Employee benefits	68,962,722	63,818,921	5,143,801	8.06%
Debt service - principal	3,587,476	6,665,903	(3,078,427)	(46.18%)
Debt service - interest	736,130	1,023,635	(287,505)	(28.09%)
Total Expenditures	<u>236,882,402</u>	<u>227,561,035</u>	<u>9,321,367</u>	4.10%
Other Financing Uses				
Operating transfers out	3,773,562	422,597	3,350,965	792.95%
Total Other Financing Uses	<u>3,773,562</u>	<u>422,597</u>	<u>3,350,965</u>	792.95%
Net Change in Fund Balances	<u>\$ 60,470,546</u>	<u>\$ 29,364,018</u>	<u>\$ 31,106,528</u>	105.93%

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues increased when compared to the prior year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2023-2024 voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- Increases in state aid allocations for general aid.

Expenditures increased when compared to the prior year, primarily due to the following:

- Instruction increased due to salary increases and pupil service expenditures.
- Employee benefits increased due to higher premium costs for health insurance.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Employees' retirement system	\$ 16,256,450	\$ 15,000,000	\$ 1,041,910	\$ -	\$ 32,298,360
Teachers' retirement system	1,742,412	1,550,000	111,675		3,404,087
Capital reserve	22,548,862	20,369,000	1,445,203		44,363,065
Repairs	-	7,500,000			7,500,000
Property loss	78,921		5,058		83,979
Insurance	-	500,000			500,000
Employee benefit accrued liability	24,374,018	9,500,000	1,562,182		35,436,200
Workers' compensation	1,881,157		120,567		2,001,724
Total Restricted Fund Balance	<u>\$ 66,881,820</u>	<u>\$ 54,419,000</u>	<u>\$ 4,286,595</u>	<u>\$ -</u>	<u>\$ 125,587,415</u>

B) School Lunch Fund:

The fund balance in the school lunch fund increased by \$734,630 or 21.09%, due to state and federal reimbursements and food sales exceeding the cost of sales.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased by \$819 or 0.32%, primarily due to miscellaneous expenditures exceeding revenues.

D) Capital Projects Fund:

The fund balance in the capital projects fund decreased by \$5,283,390 or 216.23%, due to capital outlay of \$11,777,611 exceeding revenue from state source of \$3,084,221 and voter approved interfund revenue from the general fund of \$3,410,000. The deficit fund balance will be eliminated when the District seeks permanent financing for its on-going capital improvement projects and voter authorized interfund transfer is completed. For further information, please see Supplemental Schedule #6.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

E) Debt Service Fund:

The fund balance in the debt service fund remained unchanged.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2023-2024 Budget

The District's general fund adopted budget for the year ended June 30, 2024 was \$252,864,607. This amount was increased by encumbrances carried forward from the prior year in the amount of \$284,466, which resulted in a final budget of \$253,149,073. The majority of the funding was state sources of \$153,398,797 and real property taxes including other tax items of \$95,815,810.

B) Change in General Fund Unassigned Fund Balance (Budget to Actual)

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years' budgets. It is this balance that is commonly referred to as "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance	\$ 10,059,591
Revenues and other financing sources over budget	48,261,903
Expenditures, other financing uses, and encumbrances under budget	11,936,622
Interest allocated to the reserves	(4,286,595)
Funding of reserves	(54,419,000)
Closing, unassigned fund balance	<u><u>\$ 11,552,521</u></u>

The opening unassigned fund balance of \$10,059,591 is the June 30, 2023 unassigned fund balance.

The revenues and other financing sources over budget of \$48,261,903 were primarily in state sources, use of money and property and miscellaneous other revenue. Please see Supplemental Schedule #1 for further detail.

The expenditures, other financing uses, and encumbrances under budget of \$11,936,622 reflected savings across the budget, but were predominantly in instruction, employee benefits and general support. Please see Supplemental Schedule #1 for further detail.

Revenues such as interest earned in a general fund reserve increased the reserve and, therefore, decreased the unassigned portion of the fund balance within the general fund.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Interest was allocated to the reserves in accordance with District policy. See Table in section 4A of Management's Discussion and Analysis for interest allocations by reserve.

The District contributed \$54,419,000 into total to the District's reserves. See Table in section 4A of Management's Discussion and Analysis for funding by reserve.

The District closed the 2023-2024 fiscal year with \$11,552,521 in unassigned fund balance. New York State Real Property Tax Law §1318 restricts this number to an amount not greater than 4.00% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within the legal limit.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

The District paid for and financed equipment and various building additions and renovations during the fiscal year. A summary of the District's capital assets and intangible lease assets, net of accumulated depreciation and amortization, are as follows:

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	2024	2023	Increase (Decrease)	Percentage Change
Land	\$ 753,590	\$ 753,590	\$ -	0.00%
Construction in progress	29,875,389	18,097,778	11,777,611	65.08%
Buildings and building improvements	150,103,097	150,103,097	-	0.00%
Furniture and equipment	7,647,770	8,171,477	(523,707)	(6.41)%
Land improvements	3,584,501	3,552,707	31,794	0.89%
Subtotal	191,964,347	180,678,649	11,285,698	6.25%
Less: Accumulated depreciation	68,821,209	65,852,319	2,968,890	4.51%
Capital assets, net	<u>\$ 123,143,138</u>	<u>\$ 114,826,330</u>	<u>\$ 8,316,808</u>	7.24%
Intangible lease assets, net	<u>\$ 42,210</u>	<u>\$ 130,636</u>	<u>\$ (88,426)</u>	(67.69)%

The District's capital asset additions consisted of capital outlay of \$11,777,611 and capital asset additions in land improvement of \$31,794, partially offset by a net reduction in furniture and equipment of \$523,707. Depreciation expense and loss on disposals for the current year totaled \$3,875,183 and amortization expense was \$88,426.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B) Long-Term Debt

At June 30, 2024, the District had total debt payable, including bonds payable, unamortized bond premium, lease liability, and energy performance contract debt payable of \$25,377,412. The decrease in long-term debt is due to the payment of principal on long-term debt and amortization of bond premium.

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Bonds payable	\$ 16,275,000	\$ 18,375,000	\$ (2,100,000)	(11.43%)
Unamortized bond premium	97,816	121,291	(23,475)	(19.35%)
Lease liability	24,113	108,214	(84,101)	(77.72%)
Energy performance contract debt payable	8,980,483	10,383,858	(1,403,375)	(13.51%)
	<u>\$ 25,377,412</u>	<u>\$ 28,988,363</u>	<u>\$ (3,610,951)</u>	(12.46%)

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- A)** The general fund budget for the 2024-2025 school year was approved by the voters in the amount of \$294,039,602. This is an increase of \$41,174,995 or 16.28% from the previous year's budget. The increase was primarily due to increase in personnel and employee benefits costs.
- B)** New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.
- C)** Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:
- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
 - Increased costs associated with meeting the requirements for instructional services.
 - Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- Rising inflation as well as interest rates, which can affect all areas of the budget.
- The property tax cap as discussed above.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Central Islip Union Free School District
Dr. Sharon A. Dungee
Superintendent of Schools
50 Wheeler Road
Central Islip, New York 11722
631-348-5112

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Current assets	
Cash and cash equivalents:	
Unrestricted	\$ 36,319,740
Restricted	126,169,046
Receivables:	
Accounts receivable	274,449
State and federal aid	9,469,070
Due from other governments	5,709,022
Inventory	25,671
Noncurrent assets	
Nondepreciable capital assets	30,628,979
Depreciable capital assets, net of accumulated depreciation	92,514,159
Intangible lease assets, net of accumulated amortization	42,210
TOTAL ASSETS	<u>301,152,346</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	48,553,131
Other post-employment benefits obligation	74,204,537
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>122,757,668</u>

LIABILITIES

Current liabilities	
Accounts payable	2,806,009
Accrued liabilities	16,532,112
Due to other governments	5,921,279
Due to fiduciary fund	133,790
Due to teachers' retirement system	10,934,650
Due to employees' retirement system	1,328,673
Compensated absences payable	3,829,268
Accrued interest payable	226,568
Collections in advance	825,543
Long-term liabilities	
Due and payable within one year:	
Bonds payable (inclusive of unamortized premiums)	2,148,475
Lease liability	24,113
Energy performance contract debt payable	1,438,899
Compensated absences payable	6,091,183
Total other post-employment benefits obligation	11,117,729
Due and payable after one year:	
Bonds payable (inclusive of unamortized premiums)	14,224,341
Energy performance contract debt payable	7,541,584
Compensated absences payable	63,332,023
Workers' compensation claims payable	1,926,714
Net pension liability-proportionate share - employees' retirement system	10,741,596
Net pension liability-proportionate share - teachers' retirement system	5,556,599
Total other post-employment benefits obligation	433,165,267
TOTAL LIABILITIES	<u>599,846,415</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	8,535,328
Other post-employment benefits obligation	88,941,719
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>97,477,047</u>

NET POSITION

Net investment in capital assets	97,045,696
Restricted	125,943,993
Unrestricted (deficit)	<u>(496,403,137)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (273,413,448)</u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants	
FUNCTIONS / PROGRAMS					
General support	\$ (40,055,160)	\$ -	\$ 1,111,404	\$ -	\$ (38,943,756)
Instruction	(239,335,756)	456,212	17,393,094	58,019	(221,428,431)
Pupil transportation	(13,430,945)		956,610		(12,474,335)
Community service	(203)				(203)
Debt service - interest	(680,834)				(680,834)
Food service program	(7,288,806)	567,060	7,564,292		842,546
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (300,791,704)</u>	<u>\$ 1,023,272</u>	<u>\$ 27,025,400</u>	<u>\$ 58,019</u>	<u>(272,685,013)</u>
GENERAL REVENUES					
Real property taxes					85,818,746
Other tax items (including STAR reimbursement)					11,261,413
Use of money and property					4,949,720
Sale of property and compensation for loss					2,091,332
Miscellaneous					2,351,885
State sources					193,424,604
Federal sources					680,416
TOTAL GENERAL REVENUES					<u>300,578,116</u>
CHANGE IN NET POSITION					27,893,103
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR					<u>(301,306,551)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR					<u>\$ (273,413,448)</u>

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents:							
Unrestricted	\$ 35,671,494	\$ 200,224	\$ 195,558	\$ 252,464	\$ -	\$ -	\$ 36,319,740
Restricted	125,951,481				217,565		126,169,046
Receivables:							
Accounts receivable	273,507		219	723			274,449
State and federal aid	2,584,299	6,251,658	556,568		76,545		9,469,070
Due from other governments	5,709,022						5,709,022
Due from other funds	14,824,498	12,013,645	4,424,422	4,252	3,233,268	356,578	34,856,663
Inventory			25,671				25,671
TOTAL ASSETS	<u>\$ 185,014,301</u>	<u>\$ 18,465,527</u>	<u>\$ 5,202,438</u>	<u>\$ 257,439</u>	<u>\$ 3,527,378</u>	<u>\$ 356,578</u>	<u>\$ 212,823,661</u>
LIABILITIES							
Accounts payable	\$ 1,454,493	\$ 332,932	\$ 29,039	\$ 2,252	\$ 987,293	\$ -	\$ 2,806,009
Accrued liabilities	15,276,409	891,292	364,411				16,532,112
Due to other governments	5,919,283		1,996				5,921,279
Due to other funds	7,794,215	17,153,072		1,927	10,041,239		34,990,453
Due to teachers' retirement system	10,934,650						10,934,650
Due to employees' retirement system	1,328,673						1,328,673
Compensated absences payable	3,829,268						3,829,268
Collections in advance		88,231	588,265		149,047		825,543
TOTAL LIABILITIES	<u>46,536,991</u>	<u>18,465,527</u>	<u>983,711</u>	<u>4,179</u>	<u>11,177,579</u>	<u>-</u>	<u>77,167,987</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - state aid	486,940				76,545		563,485
Unavailable revenue - charges for services	293,947						293,947
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>780,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,545</u>	<u>-</u>	<u>857,432</u>
FUND BALANCES							
Nonspendable:							
Inventory			25,671				25,671
Restricted:							
Retirement contribution:							
Employees' retirement system	32,298,360						32,298,360
Teachers' retirement system	3,404,087						3,404,087
Capital reserve	44,363,065						44,363,065
Repair reserve	7,500,000						7,500,000
Property loss and liability	83,979						83,979
Insurance	500,000						500,000
Employee benefit accrued liability	35,436,200						35,436,200
Workers' compensation	2,001,724						2,001,724
Capital - unspent bond proceeds					225,053		225,053
Debt service						356,578	356,578
Assigned:							
Unappropriated fund balance	556,487		4,193,056	253,260			5,002,803
Unassigned:							
Unassigned fund balance (deficit)	11,552,521				(7,951,799)		3,600,722
TOTAL FUND BALANCES	<u>137,696,423</u>	<u>-</u>	<u>4,218,727</u>	<u>253,260</u>	<u>(7,726,746)</u>	<u>356,578</u>	<u>134,798,242</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 185,014,301</u>	<u>\$ 18,465,527</u>	<u>\$ 5,202,438</u>	<u>\$ 257,439</u>	<u>\$ 3,527,378</u>	<u>\$ 356,578</u>	<u>\$ 212,823,661</u>

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024

Total Governmental Fund Balances \$ 134,798,242

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

The cost of building and acquiring capital assets (land, buildings, furniture and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 191,964,347	
Accumulated depreciation	<u>(68,821,209)</u>	123,143,138

The present value cost of leasing assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible leased assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.

Original present value cost of intangible lease assets	\$ 307,488	
Accumulated amortization	<u>(265,278)</u>	42,210

Deferred outflows of resources - The Statement of Net Position recognizes expenses incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows will be recognized as expenditures in future periods were as follows:

Deferred outflows of resources related to pensions	\$ 48,553,131	
Deferred outflows of resources related to other post-employment benefits obligation	<u>74,204,537</u>	122,757,668

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Accrued interest payable relating to long-term liabilities at year end consisted of: (226,568)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	\$ (16,372,816)	
Lease liability	(24,113)	
Energy performance contract debt payable	(8,980,483)	
Compensated absences payable	(69,423,206)	
Workers' compensation claims payable	(1,926,714)	
Net pension liability-proportionate share - employees' retirement system	(10,741,596)	
Net pension liability-proportionate share - teachers' retirement system	(5,556,599)	
Total other post-employment benefits obligation	<u>(444,282,996)</u>	(557,308,523)

Deferred inflows of resources - The Statement of Net Position recognized revenues and expenses received under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows will be recognized as a revenue or a reduction in expense in future periods were as follows:

Deferred inflows of resources related to pensions	\$ (8,535,328)	
Deferred inflows of resources related to other post-employment benefits obligation	(88,941,719)	
Deferred inflows of resources related to unavailable revenue	<u>857,432</u>	<u>(96,619,615)</u>

Total Net Position \$ (273,413,448)

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	\$ 85,818,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,818,746
Other tax items	11,261,413						11,261,413
Charges for services	468,503			153,233			621,736
Use of money and property	4,949,306		414				4,949,720
Sale of property and compensation for loss	2,091,332						2,091,332
Miscellaneous	2,350,503		1,382				2,351,885
State sources	193,424,604	7,204,968	168,435		3,084,221		203,882,228
Federal sources	680,416	12,256,140	6,961,399				19,897,955
Surplus food			434,458				434,458
Sales			567,060				567,060
TOTAL REVENUES	<u>301,044,823</u>	<u>19,461,108</u>	<u>8,133,148</u>	<u>153,233</u>	<u>3,084,221</u>	<u>-</u>	<u>331,876,533</u>
EXPENDITURES							
General support	26,464,277	1,111,404					27,575,681
Instruction	124,705,044	17,756,656		154,052			142,615,752
Pupil transportation	12,426,550	956,610					13,383,160
Community service	203						203
Employee benefits	68,962,722		1,322,383				70,285,105
Debt service - principal	3,587,476						3,587,476
Debt service - interest	736,130						736,130
Cost of sales			5,994,448				5,994,448
Capital outlay					11,777,611		11,777,611
TOTAL EXPENDITURES	<u>236,882,402</u>	<u>19,824,670</u>	<u>7,316,831</u>	<u>154,052</u>	<u>11,777,611</u>	<u>-</u>	<u>275,955,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>64,162,421</u>	<u>(363,562)</u>	<u>816,317</u>	<u>(819)</u>	<u>(8,693,390)</u>	<u>-</u>	<u>55,920,967</u>
OTHER FINANCING SOURCES AND							
Operating transfers in	81,687	363,562			3,410,000		3,855,249
Operating transfers (out)	<u>(3,773,562)</u>		<u>(81,687)</u>				<u>(3,855,249)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(3,691,875)</u>	<u>363,562</u>	<u>(81,687)</u>	<u>-</u>	<u>3,410,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	60,470,546	-	734,630	(819)	(5,283,390)	-	55,920,967
FUND BALANCES - BEGINNING OF YEAR	<u>77,225,877</u>	<u>-</u>	<u>3,484,097</u>	<u>254,079</u>	<u>(2,443,356)</u>	<u>356,578</u>	<u>78,877,275</u>
FUND BALANCES - END OF YEAR	<u>\$ 137,696,423</u>	<u>\$ -</u>	<u>\$ 4,218,727</u>	<u>\$ 253,260</u>	<u>\$ (7,726,746)</u>	<u>\$ 356,578</u>	<u>\$ 134,798,242</u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances \$ 55,920,967

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

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Changes in these operating expenses were as follows:

Decrease in accrued interest payable	\$ 31,821	
Amortization expense on unamortized bond premiums	23,475	
Increase in compensated absences payable	(891,691)	
Decrease in workers' compensation claims payable	<u>307,732</u>	(528,663)

Changes in the proportionate share of net pension asset/liability, total other post employment benefits obligation, and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system	\$ (1,588,829)	
Teachers' retirement system	(6,789,084)	
Other post-employment benefits	<u>(27,745,420)</u>	(36,123,333)

Deferred inflows - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the year ended was (3,191,726)

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and reported on the Statement of Net Position and allocated to the governmental functions. Depreciation is based on the useful lives of the asset and are expensed as incurred on the Statement of Activities:

Capital outlays	\$12,191,991	
Depreciation expense and loss on disposals	<u>(3,875,183)</u>	8,316,808

Capital outlays to lease assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual amortization expense in the Statement of Activities:

Amortization expense	<u>\$ (88,426)</u>	(88,426)
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Long-Term Debt Differences

Repayment of long-term liabilities is reported as an expenditure in the governmental funds, but reduces long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities. Repayment of long-term liabilities were as follows:

Repayment of bond principal	\$ 2,100,000	
Repayment of lease obligation	84,101	
Repayment of energy performance contract debt payable	<u>1,403,375</u>	<u>3,587,476</u>

Change in Net Position \$ 27,893,103

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2024

	<u>Custodial</u>
ASSETS	
Due from governmental funds	\$ 133,790
TOTAL ASSETS	<u>\$ 133,790</u>
LIABILITIES	
Due to other governments	\$ 133,790
TOTAL LIABILITIES	<u>133,790</u>
NET POSITION	
Restricted	<u>-</u>
TOTAL NET POSITION	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 133,790</u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for Library	\$ 3,495,132
TOTAL ADDITIONS	<u>3,495,132</u>
DEDUCTIONS	
Real property taxes disbursed to Library	<u>3,495,132</u>
TOTAL DEDUCTIONS	<u>3,495,132</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Central Islip Union Free School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized 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 (the “Board”) consisting of seven 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. The Board has authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. 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 a component district in the Eastern Suffolk Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares 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 component.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

BOCES is organized under Section §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of the BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section §1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n (a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative, program and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, Section §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) Basis of Presentation:

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants, if applicable.

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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, 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 governmental funds, each displayed in a separate column.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District reports the following major governmental funds:

General Fund: This fund 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 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 either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are primarily supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for extraclassroom activities.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian 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 District's fiduciary fund includes the custodial fund, which is used to account for real property taxes and payments in lieu of taxes (PILOT) collected on behalf of other governments and disbursed to other governments. This fund is custodial in nature.

D) Measurement Focus and Basis of Accounting:

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 using the economic resources measurement focus and the accrual basis of accounting. 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

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 bonds payable, lease liabilities, energy performance contract debt payable, compensated absences payable, workers' compensation claims and judgements, net pension liabilities, and total other post-employment benefits, which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions of leases with terms greater than one year are reported as other financing sources.

E) Real Property Taxes:

Calendar

Real property taxes are levied annually by the Board of Education no later than October 1, and become a lien on December 1. The District's tax levy is collected by the Town of Islip. Tax collections are remitted to the District and Town Comptrollers until their respective tax levies are satisfied in accordance with the Suffolk County Tax Act.

Enforcement

Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1.

F) Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

G) 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 flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfers of expenditures and revenues to provide financing or other services.

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds, apart from those due from or to the fiduciary fund.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be 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 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) 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 items 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 useful lives of capital assets and intangible lease assets, lease liability, compensated absences payable, workers' compensation claims payable, net pension asset/liability, total other post-employment benefits obligation, and potential contingent liabilities, if applicable.

I) Cash and Cash Equivalents:

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 the date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

J) Receivables:

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventory:

Inventory of food in the school lunch fund is 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 stated value, which approximates market value. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for inventory 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 inventorable items in other funds are recorded as expenses/expenditures at the time of purchase and are considered immaterial in amount.

A portion of fund balance in the school lunch fund has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

L) 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 independent third-party information. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and building improvements	\$5,000	Straight-line	25-50 years
Land improvements	\$5,000	Straight-line	20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years

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, 2024, the District has not recorded any such impairment losses.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

M) Intangible Lease Assets:

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 then. The District has two items that qualify for reporting in this category. The two items in this category are related to pensions and other post-employment benefits obligation, which are reported in the District-Wide Statement of Net Position and are detailed further in Notes 13 and 15.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits obligation, which are reported in the District-Wide Statement of Net Position and are detailed further in Notes 13 and 15.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. The deferred inflows of resources on the Fund Level Statements represent supplemental aid, foster tuition amounts, and New York State Smart Schools Bond Act funds. In subsequent periods, when the availability criterion is met, deferred inflows are classified as revenues. The District-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

O) 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 liabilities that will be extinguished by the use of expendable, available resources of the fund.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will receive the proceeds from the 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. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter. See Note 11 for further detail.

P) Collections in Advance:

Collections in advance arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2024, consist of grant advances received prior to the qualifying expenditures being incurred in the special aid fund and capital projects fund, and for grant advances received prior to the qualifying expenditures being incurred and prepaid meals that have not yet been purchased in the school lunch fund.

Q) Employee Benefits – Compensated Absences:

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

R) Other Benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become 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 District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

S) Long-Term Debt

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

In the Fund Financial Statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T) Equity Classifications:

District-Wide Financial Statements

In the District-Wide Financial Statements, there are three classes of net position:

Net investment in capital assets - consists of net capital assets and intangible lease assets (cost less accumulated depreciation and accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, net of any unexpended proceeds and including any unamortized items (discounts, premiums, deferred amounts on refunding), if applicable.

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

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

Fund Financial Statements

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

Nonspendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2024, the District had \$25,671 in nonspendable fund balance for inventory recorded in the school lunch fund.

Restricted fund balance – 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 classified the following as restricted:

Retirement Contribution Reserve - Retirement Contribution Reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. A board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the 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. The District accounts for the teachers' retirement reserve in the general fund.

Capital Reserve (Education Law §3651) is 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 sources of the funds. Expenditures 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. The reserve is accounted for in the general fund.

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. The reserve is accounted for in the general fund.

Property Loss and Liability - According to General Municipal Law §6-h, this must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.

Insurance Reserve - According to General Municipal Law §6-n, must be used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, this must be used for the payment of accrued employee benefit 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 Reserve - This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

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

Restricted for Debt Service - This account is used to account for the accumulation of resources that are restricted to pay debt service. The fund includes all unexpected balances of proceeds from borrowings for capital projects, interest and earnings from investment in proceeds of borrowing premiums. This reserve is accounted for in the debt service fund.

Unrestricted Resources - When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Committed fund balance includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e., Board). The District has no committed fund balances as of June 30, 2024.

Assigned fund balance includes amounts that are constrained by the intent to be used for specific purposes but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. All encumbrances are classified as assigned fund balances. The

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

amount appropriated for the subsequent year's budget of the general fund is classified as assigned fund balance in the general fund.

Unassigned fund balance includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

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 District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance at June 30, 2024 is within the legal limit. See Supplemental Schedule #5 for more information.

Fund Balance Classification:

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Education if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must be approved by formal action of the Board of Education.

Deficit Fund Balance:

The capital projects fund had a deficit unassigned fund balance of \$7,951,799. This will be eliminated when the District receives permanent financing from issuing bonds and receipt of state aid.

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 (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

U) Future Accounting Pronouncements:

GASB issued Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences by implementing a unified model and amended previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023. The Statement above is not an all-inclusive

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the Statement above and implement the provisions as applicable.

The Statement above is not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the Statement above and implement the provisions as applicable.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial 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. The 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 Sheets.

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "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.

Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

for the purchase of capital items or intangible lease assets in the Fund Financial Statements and depreciation and/or amortization expense on those items as recorded in the Statement of Activities.

Long-Term Debt Differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial 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.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. 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), which 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 as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5, where applicable.

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.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 assignments or restrictions of 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.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (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.

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 as follows:

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

The District's aggregate bank balances were covered by depository insurance, collateralized with securities held by the District's custodian, a third-party financial institution in the District's name, or collateralized with securities held by the pledging financial institution in the District's name at year end.

B) Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

reserved for various purposes. Restricted cash at June 30, 2024 included \$126,169,046 within the governmental funds for general fund reserves and amounts restricted for capital projects and debt service.

C) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

D) Investment Pool:

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

Total investments of the cooperative as of year-end are \$1,493,175,455 which consists of \$323,000,000 in repurchase agreements, \$647,644,672 in U.S. Treasury Securities, \$522,394,674 in collateralized bank products with various interest rates and due dates, and \$136,109 in cash.

At June 30, 2024, the District held \$307,036 in the general fund as cash for investments that consisted of various investments in securities issued by the United States and its agencies.

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. New York Liquid Asset Fund (NYLAF) is rated AAAM by Standard and Poor's Ratings Agency. Additional information concerning the cooperative is presented in the annual report of the NYLAF, which may be obtained from their website, www.nylaf.org.

The District participates in another multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2024, the District held \$151,942,085 in investments between the general fund consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2024, are \$11,722,084,338, which consisted of \$1,924,275,851 in repurchase agreements, and \$8,032,431,761 in U.S. Treasury Securities in U.S. Government Guaranteed Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2024 are \$1,765,376,726.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. CLASS is rated AAAM by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website www.newyorkclass.org or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2024, the District was billed \$26,457,671 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,087,881. Financial statements for the BOCES are available from the BOCES administrative office at Eastern Suffolk Board of Cooperative Educational Services, James Hines Administration Center, 201 Sunrise Highway Patchogue, NY 11772.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2024 consisted of the following:

Description	General	Special Aid	School Lunch	Capital Projects	Total
State aid - excess cost	\$ 2,453,642	\$ -	\$ -	\$ -	\$ 2,453,642
State aid - general aid	13,392				13,392
State aid - hardware aid	65,529				65,529
Federal medicaid	37,702				37,702
State workers' compensation board	14,034				14,034
State and local grants		2,358,333		76,545	2,434,878
Federal grants		3,893,325			3,893,325
Snack - federal reimbursements			3,604		3,604
Breakfast - federal reimbursements			259,025		259,025
Lunch - federal reimbursements			280,466		280,466
Breakfast - state reimbursements			9,611		9,611
Lunch - state reimbursements			3,862		3,862
Total	<u>\$ 2,584,299</u>	<u>\$ 6,251,658</u>	<u>\$ 556,568</u>	<u>\$ 76,545</u>	<u>\$ 9,469,070</u>

The general fund state and federal aid receivable includes \$486,940 of unavailable revenues for supplemental aid, which is included in deferred inflows of resources on the balance sheet. The capital projects fund includes \$76,545 of unavailable revenues for the Smart Schools Bond Act, which is included in deferred inflows of resources on the balance sheet.

District management has deemed the amounts to be fully collectible.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2024 consisted of the following:

BOCES aid	\$ 4,087,881
Town of Islip payment in lieu of property taxes	1,262,598
Foster tuition	343,343
Building use	5,000
Academy Charter School	10,200
Total	<u>\$ 5,709,022</u>

The general fund due from other governments includes \$293,947 of unavailable revenues for foster tuition, which is included in deferred inflows of resources on the balance sheet.

District management has deemed the amounts to be fully collectible.

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets:

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Nondepreciable capital assets				
Land	\$ 753,590	\$ -	\$ -	\$ 753,590
Construction in progress	18,097,778	11,777,611		29,875,389
Total nondepreciable capital assets	18,851,368	11,777,611	-	30,628,979
Depreciable capital assets				
Building and building improvements	150,103,097			150,103,097
Furniture and equipment	8,171,477	382,586	(906,293)	7,647,770
Land improvement	3,552,707	31,794		3,584,501
Total depreciable capital assets	161,827,281	414,380	(906,293)	161,335,368
Less accumulated depreciation:				
Building and building improvements	59,666,263	2,635,818		62,302,081
Furniture and equipment	3,412,081	1,001,455	(790,279)	3,623,257
Land improvement	2,773,975	121,896		2,895,871
Total accumulated depreciation	65,852,319	3,759,169	(790,279)	68,821,209
Total depreciable capital assets, net	95,974,962	(3,344,789)	(116,014)	92,514,159
Total capital assets, net	\$ 114,826,330	\$ 8,432,822	\$ (116,014)	\$ 123,143,138

Depreciation expense and loss on disposal was charged to the governmental functions as follows:

Instruction	\$ 3,624,122
General support	209,909
Food service	41,152
	<u>\$ 3,875,183</u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Ending Balance
Governmental activities:			
Intangible lease assets			
Furniture and equipment	\$ 307,488	\$ -	\$ 307,488
Total intangible lease assets being amortized	307,488	-	307,488
Less accumulated amortization:			
Furniture and equipment	176,852	88,426	265,278
Total accumulated amortization	176,852	88,426	265,278
 Total intangible lease assets, net	 \$ 130,636	 \$ (88,426)	 \$ 42,210

Amortization expense of \$88,426 was charged to the governmental functions as general support.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 14,824,498	\$ 7,794,215	\$ 81,687	\$ 3,773,562
Special aid fund	12,013,645	17,153,072	363,562	
School lunch fund	4,424,422			81,687
Miscellaneous special revenue fund	4,252	1,927		
Capital projects fund	3,233,268	10,041,239	3,410,000	
Debt service fund	356,578			
Total government activities	34,856,663	34,990,453	3,855,249	3,855,249
Fiduciary fund	133,790			
Total	\$ 34,990,453	\$ 34,990,453	\$ 3,855,249	\$ 3,855,249

The District typically transfers from the general fund to the special aid fund to fund the District's share of costs for the summer program for students with disabilities required by New York State Law and to fund State Supported Section 4201 schools. The District also made a voter approved transfer of \$3,410,000 from the general fund to the capital projects fund. The District transferred from the school lunch fund to the general fund for administrative costs to run the school lunch program.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

NOTE 10 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2024 consisted of the following:

General Fund

New York State governmental agencies	\$ 27,937
Suffolk County governmental agencies	42,484
Town of Islip	5,228
Due to BOCES and New York State public schools	5,843,634
Total General Fund	<u>5,919,283</u>

School Lunch Fund

Due to NYS Department of Taxation - sales tax	<u>1,996</u>
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Total Due to Other Governments	<u><u>\$ 5,921,279</u></u>
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NOTE 11 - SHORT-TERM DEBT:

There was no short-term debt issued during the year ended June 30, 2024.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long-term debt					
Bonds payable	\$ 18,375,000	\$ -	\$ (2,100,000)	\$ 16,275,000	\$ 2,125,000
Add: unamortized bond premiums	121,291		(23,475)	97,816	23,475
Total bonds payable, net	<u>18,496,291</u>	<u>-</u>	<u>(2,123,475)</u>	<u>16,372,816</u>	<u>2,148,475</u>
Other long-term liabilities:					
Lease liability	108,214		(84,101)	24,113	24,113
Energy performance contract debt payable	10,383,858		(1,403,375)	8,980,483	1,438,899
Compensated absences payable	68,531,515	6,964,283	(6,072,592)	69,423,206	6,091,183
Workers' compensation claims payable	2,234,446	1,220,873	(1,528,605)	1,926,714	
Net pension liability - proportionate share					
Employees' retirement system	15,067,090		(4,325,494)	10,741,596	
Teachers' retirement system	9,309,311		(3,752,712)	5,556,599	
Total other post-employment benefit obligation	<u>444,314,305</u>	<u>30,703,791</u>	<u>(30,735,100)</u>	<u>444,282,996</u>	<u>11,117,729</u>
Total long-term liabilities	<u>\$ 568,445,030</u>	<u>\$ 38,888,947</u>	<u>\$ (50,025,454)</u>	<u>\$ 557,308,523</u>	<u>\$ 20,820,399</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, lease liability, energy performance contract debt payable, compensated absences payable, workers' compensation claims payable, net pension liabilities, and total other post-employment benefits obligation.

Authorized but Unissued Debt:

On April 7, 2014 the voters approved a Capital Projects Bond Proposition authorizing the construction of infrastructure improvements and alterations to District school buildings and sites. This voter approval also included the authorized issuance of serial bonds up to an amount not to exceed \$24,890,000. The principal and interest of said serial bonds shall be paid through the levy and collection of taxes on all taxable real property in the District in addition to the authorization of up to \$5,202,010 to be expended from the District's capital reserve to pay for a portion of the capital projects' cost and any such monies so expended shall reduce the amounts of bonds issued. Bonds were issued on August 16, 2018, in the amount of \$17,900,000, which leaves \$1,787,990 of authorized but unissued debt as of June 30, 2024.

On May 17, 2022, the District's voters approved a Capital Projects Bond Proposition authorizing the construction of infrastructure improvements and alterations to District school buildings and sites up to an amount not to exceed \$40,000,000. Of that \$40,000,000 total cost, \$6,000,000 of funding would come from the District's general fund unassigned fund balance (on hand and available fund balance), with the remaining \$34,000,000 being funded from the issuance of serial bonds. Remaining unissued debt as of June 30, 2024, related to this Capital Projects Bond

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Proposition is the full \$34,000,000 of unissued bonds. \$6,000,000 of general fund unassigned fund balance was transferred to the capital projects fund during the 2021-22 fiscal year. No other transfers were made in the following fiscal years.

A) Bonds Payable:

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Serial Bond	9/13/2012	9/1/2028	4.2%	\$ 1,400,000
Serial Bond	9/12/2014	9/1/2028	2.0 - 3.0%	2,875,000
Serial Bond	8/16/2018	8/15/2033	2.5 - 3.0%	12,000,000
				<u>\$ 16,275,000</u>

The following is a summary of debt service requirements for bonds payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 2,125,000	\$ 471,075	\$ 2,596,075
2026	2,125,000	403,125	2,528,125
2027	2,125,000	335,175	2,460,175
2028	2,125,000	267,225	2,392,225
2029	1,775,000	206,625	1,981,625
2030-2034	6,000,000	450,000	6,450,000
	<u>\$ 16,275,000</u>	<u>\$ 2,133,225</u>	<u>\$ 18,408,225</u>

Upon default of the payment of principal and interest on the serial bonds, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount withheld to the payment of the defaulted principal or interest with respect to serial bonds.

B) Bond Premium:

Premiums on bonds, net of accumulated amortization, are reported as a component of the related long-term liability, and amounted to \$97,816 at June 30, 2024. This represents premiums received on the September 2014 bond issuance. These premiums are amortized under the straight-line method over the life of the bond. Amortization expense is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

C) Lease Liability:

The District recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with interest rates of 2.16%.

Principal and interest expense paid on the District's lease liability amounted to \$84,101 and \$1,375, respectively, for the fiscal year ended June 30, 2024.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 24,113	\$ 152	\$ 24,265

D) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Energy performance contract debt payable	10/19/2021	9/15/2036	1.45%	\$ 6,527,395
Energy performance contract debt payable	7/15/2011	10/15/2026	3.05%	2,453,088
				<u>\$ 8,980,483</u>

The following is a summary of debt service requirement for energy performance contract debt payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,438,899	\$ 160,582	\$ 1,599,481
2026	1,475,400	124,080	1,599,480
2027	999,588	86,567	1,086,155
2028	501,174	71,655	572,829
2029	508,468	64,362	572,830
2030-2034	2,655,508	208,638	2,864,146
2035-2037	1,401,446	30,628	1,432,074
	<u>\$ 8,980,483</u>	<u>\$ 746,512</u>	<u>\$ 9,726,995</u>

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

E) Long-Term Interest:

Interest on long-term debt for the year was composed of:

	Total
Interest paid	\$ 736,130
Less interest accrued in the prior year	(258,389)
Plus interest accrued in the current year	226,568
Less amortization expense of bond premiums	(23,475)
Total expense	<u>\$ 680,834</u>

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System:

The District participates in the New York State Teachers' Retirement System (TRS) (the "System"). 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 TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System:

The District participates in the New York State and Local Employees' Retirement System (ERS) (the "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 new assets and

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 (RSSL). 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. ERS issues a publicly available report that includes financial statements and required supplementary information. 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 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire.

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
 - a. Employees who joined the system after July 27, 1976, and before January 1, 2010.
 - i. Employees contribute 3% of their salary, except those employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 but before April 1, 2012
 - i. Employees contribute 3.5% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System
 - a. Employees who joined the system after July 27, 1976, and before January 1, 2010.
 - i. Employees contribute 3% of their salary, except those employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 but before April 1, 2012
 - i. Employees contribute 3% of their salary throughout active membership.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2024, ranged from 9.60% to 19.90% of covered payroll.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2024, was 9.76% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	NYSERS	NYSTRS
2024	\$ 3,852,741	\$ 8,920,557
2023	\$ 3,056,444	\$ 9,234,266
2022	\$ 3,909,904	\$ 8,421,855

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

At June 30, 2024, 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) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension assets/(liability). The District's proportion of the net pension asset/(liability) was based on an actuarially determined 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.

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	\$ (10,741,596)	\$ (5,556,599)
District's portion of the Plan's total net pension liability	0.0729527%	0.4858930%
Change in proportion since prior measurement date	0.0026903%	0.000753%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$5,417,172 for ERS and \$15,706,781 for TRS. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 3,459,860	\$ 13,473,273	\$ 292,895	\$ 33,298
Changes of assumptions	4,061,156	11,963,192		2,607,312
Net difference between projected and actual earnings on pension plan investments		2,840,423	5,247,213	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,840,734	665,263	166,379	188,231
District's contributions subsequent to the measurement date	1,328,673	8,920,557		
	<u>\$ 10,690,423</u>	<u>\$ 37,862,708</u>	<u>\$ 5,706,487</u>	<u>\$ 2,828,841</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ERS	TRS
Plan Year ended:		
2024	\$ -	\$ 2,369,522
2025	(1,379,042)	(2,722,920)
2026	2,535,788	22,539,223
2027	3,453,244	1,759,971
2028	(954,727)	1,341,363
Thereafter	-	826,151
	<u>\$ 3,655,263</u>	<u>\$ 26,113,310</u>

Actuarial Assumptions

The total pension asset/(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 asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement	April 1, 2015 - March 31, 2020	July 1, 2019 - June 30, 2023
	System's Experience	System's Experience
Inflation	2.90%	2.40%

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 plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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 returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 measurement date are summarized below:

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	<u>March 31, 2024</u>		<u>June 30, 2023</u>	
<u>Asset type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.00%	33%	6.80%
International equity	15%	6.65%	15%	7.60%
Global equity			4%	7.20%
Private equity	10%	7.25%	9%	10.10%
Real estate	9%	4.60%	11%	6.30%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.20%
Global bonds			2%	1.60%
High-yield bonds			1%	4.40%
Private debt			2%	6.00%
Real estate debt			6%	3.20%
Cash equivalents			1%	0.30%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.90% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (33,772,676)</u>	<u>\$ (10,741,596)</u>	<u>\$ 8,494,133</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (84,629,814)</u>	<u>\$ (5,556,599)</u>	<u>\$ 60,947,395</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,122)
Plan Fiduciary Net Position	225,972,801	137,221,537
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	99.17%

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, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$1,328,673.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

deduction and remittance to be paid by TRS. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS 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, 2024 amounted to \$10,934,650.

NOTE 14 – PENSION PLANS - OTHER:

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 fiscal year ended June 30, 2024, totaled \$140,108 and \$5,675,899 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code Section §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2024, totaled \$1,649,609.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description:

The District's Other Post-Employment Benefit Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees, their spouses, and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP) Empire Plan, and HIP Health Plan and is defined as a single-employer defined benefit healthcare plan administered by New York State. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. The Plan does not issue a stand-alone, publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B) Benefits Provided:

The OPEB Plan provides medical, dental, and Medicare Part B benefits for retired employees and their eligible dependents. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Plan members receiving benefits contributed either a fixed annual amount ranging between \$200 and \$1,000 or 0% - 16% of the health insurance premium. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2024, the District contributed an estimated \$11,511,718 to the Plan, including \$11,511,718 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

C) Employees Covered by Benefit Terms:

At July 1, 2022, the following employees were covered by the benefit terms:

Active employees	941
Retirees	635
Beneficiaries	18
Spouses of Retirees	335
Total	<u><u>1,929</u></u>

D) Total OPEB Liability:

The District's Total OPEB Liability of \$444,282,996 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB Liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Actuarial cost method	Entry Age Normal
Salary scale	2.40%
Inflation rate	2.40%
Discount rate	3.93%
Health cost trend rates:	
Pre 65 Medical/Retiree Contributions	6.80% for 2024, decreasing per year to an ultimate rate of 3.80% for 2073.
Post 65 Medical	6.40% for 2024, decreasing per year to an ultimate rate of 3.80% for 2073.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

This valuation reflects the adoption of the PubT-2010 headcount-weighted mortality table for teaching positions and PubG-201 headcount-weighted mortality table for non-teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and health annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

Turnover rates and retirement rates were commensurate with the combined experience of the New York State Employees and Teachers Retirement Systems.

The actuarial assumptions used in the July 1, 2022, valuation was based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The OPEB Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

E) Changes in Total OPEB Liability:

Balance of June 30, 2023:	\$ 444,314,305
Changes for the fiscal year:	
Service cost	14,177,062
Interest	16,526,729
Effect of plan changes	(622,987)
Changes in assumptions or other inputs	(18,600,395)
Benefit payments	(11,511,718)
Net changes	(31,309)
Balance as of June 30, 2024:	<u>\$ 444,282,996</u>

There were no significant plan changes since the last valuation.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes of assumptions include the change of the discount rate from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

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 (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 516,191,251	\$ 444,282,996	\$ 386,058,816

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 are 1 percentage point lower or 1 percentage higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$372,141,979	\$444,282,996	\$536,376,033

F) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$39,257,138. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (21,086,206)
Changes of assumptions	74,204,537	(67,855,513)
	\$ 74,204,537	\$ (88,941,719)

Amounts reported as deferred outflows of resources and inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 9,041,628
2026	(7,053,035)
2027	(12,560,670)
2028	(2,590,813)
2029	(1,574,292)
Thereafter	-
	<u>\$ (14,737,182)</u>

NOTE 16 – RESTRICTED FOR CAPITAL RESERVE:

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

	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Total</u>
Date Created	2023	2023	
Number of Years to Fund	20	20	
Maximum Funding	\$ 40,000,000	\$ 4,000,000	
General Fund			
Funding Provided	\$ 38,369,000	\$ 4,000,000	\$ 42,369,000
Interest Earnings	1,631,508	362,557	1,994,065
Total General Fund	<u>\$ 40,000,508</u>	<u>\$ 4,362,557</u>	<u>\$ 44,363,065</u>

NOTE 17 – RISK MANAGEMENT:

A) General:

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; 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 reserves and commercial insurance coverage for the past three years.

B) Consortiums and Self-Insured Plan:

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 reported claims which were incurred on or before year-end but not paid. As of June 30, 2024, the District has incurred but unpaid claims liability in the amount of

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

\$1,926,714 and has a reserve balance for workers' compensation in the amount of \$2,001,724.

Claims activity for the current and preceding year is summarized below:

	2024	2023
Unpaid claims at beginning of year	\$ 2,234,446	\$ 2,329,333
Incurred claims and claim adjustment expenses	1,220,873	955,880
Claims payments	(1,528,605)	(1,050,767)
Unpaid claims at year end	<u>\$ 1,926,714</u>	<u>\$ 2,234,446</u>

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2024, the District encumbered the following amounts.

General Fund	
General support	\$ 428,416
Instruction	128,071
Total General Fund	<u>\$ 556,487</u>

B) 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.

C) Litigation:

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 19 – TAX ABATEMENTS:

Suffolk County Industrial Development Agency and the Town of Islip Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 911-a and 898-b, respectively, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the County and Town.

Related to agreements with the Town of Islip IDA, the District's property tax revenue was reduced by \$5,013,049 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$5,013,049 for these programs.

Related to agreements with the Suffolk County IDA, the District's property tax revenue was reduced by \$716,638 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$716,638 for these programs during the fiscal year.

NOTE 20 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through November 7, 2024 and concluded that there were no events which took place that would have a material impact on the financial statements.

SUPPLEMENTARY INFORMATION

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 91,315,810	\$ 85,784,084	\$ 85,818,746	\$ 34,662
Other real property tax items	4,500,000	10,031,726	11,261,413	1,229,687
Charges for services	575,000	270,875	468,503	197,628
Use of money and property	500,000	1,181,125	4,949,306	3,768,181
Sale of property and compensation for loss	1,175,000	1,175,000	2,091,332	916,332
Miscellaneous	950,000	673,000	2,350,503	1,677,503
State Sources				
Basic formula	152,898,797	124,958,312	152,521,298	27,562,986
Excess cost aid	-	3,600,000	14,559,617	10,959,617
Lottery grant	-	19,780,720	20,670,162	889,442
BOCES aid	-	4,087,881	4,087,881	-
Tuition	-	-	146,037	146,037
Textbook aid	-	471,884	471,884	-
Computer software aid	-	-	260,866	260,866
Library A/V loan program aid	-	-	48,643	48,643
Other state aid	500,000	500,000	658,216	158,216
Federal Sources				
Medicaid reimbursement	450,000	350,000	680,416	330,416
TOTAL REVENUES	<u>252,864,607</u>	<u>252,864,607</u>	<u>301,044,823</u>	<u>48,180,216</u>
Other Financing Sources				
Transfers from other funds	-	-	81,687	81,687
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>252,864,607</u>	<u>252,864,607</u>	<u>301,126,510</u>	<u>\$ 48,261,903</u>
Appropriated Reserves	<u>284,466</u>	<u>284,466</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED RESERVES	<u>\$ 253,149,073</u>	<u>\$ 253,149,073</u>		

Note to Required Supplementary InformationBudget 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.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General Support					
Board of education	\$ 63,206	\$ 69,357	\$ 46,338	\$ -	\$ 23,019
Central administration	609,959	593,212	570,168	6,358	16,686
Finance	1,596,968	1,560,091	1,464,909	23,950	71,232
Staff	1,201,535	1,348,844	1,286,302	19,469	43,073
Central services	22,350,499	23,361,130	21,261,515	378,639	1,720,976
Special items	1,955,000	1,845,699	1,835,045	-	10,654
Total general support	<u>27,777,167</u>	<u>28,778,333</u>	<u>26,464,277</u>	<u>428,416</u>	<u>1,885,640</u>
Instruction					
Instruction, admin and improvement	8,483,746	7,390,324	6,971,211	6,408	412,705
Teaching - regular school	48,785,844	48,877,884	47,037,440	49,232	1,791,212
Programs for children with handicapping conditions	46,864,734	48,924,513	47,696,837	315	1,227,361
Programs for english language learners	10,673,885	9,626,114	9,171,142	319	454,653
Occupational education	2,371,737	2,094,278	2,017,126	6,854	70,298
Teaching special schools	535,210	214,440	190,185	-	24,255
Instructional media	2,711,884	2,512,456	2,311,154	8,772	192,530
Pupil services	10,026,792	9,905,438	9,309,949	56,171	539,318
Total instruction	<u>130,453,832</u>	<u>129,545,447</u>	<u>124,705,044</u>	<u>128,071</u>	<u>4,712,332</u>
Pupil Transportation	<u>14,141,338</u>	<u>12,948,625</u>	<u>12,426,550</u>	<u>-</u>	<u>522,075</u>
Community Services	<u>-</u>	<u>2,600</u>	<u>203</u>	<u>-</u>	<u>2,397</u>
Employee Benefits	<u>72,128,596</u>	<u>73,740,452</u>	<u>68,962,722</u>	<u>-</u>	<u>4,777,730</u>
Debt service - principal	3,503,377	3,587,476	3,587,476	-	-
Debt service - interest	1,334,753	736,130	736,130	-	-
Total debt service	<u>4,838,130</u>	<u>4,323,606</u>	<u>4,323,606</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>249,339,063</u>	<u>249,339,063</u>	<u>236,882,402</u>	<u>556,487</u>	<u>11,900,174</u>
Other Financing Uses					
Transfers to other funds	<u>3,810,010</u>	<u>3,810,010</u>	<u>3,773,562</u>	<u>-</u>	<u>36,448</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 253,149,073</u>	<u>\$ 253,149,073</u>	<u>240,655,964</u>	<u>\$ 556,487</u>	<u>\$ 11,936,622</u>
Change in fund balance			60,470,546		
Fund balance - beginning of year			<u>77,225,877</u>		
Fund balance - end of year			<u>\$ 137,696,423</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0729527%	0.0702624%	0.0698147%	0.0721171%	0.0756060%	0.0786056%	0.0850106%	0.0833981%	0.0824660%	0.0797316%
District's proportionate share of the net pension asset/(liability)	\$ (10,741,596)	\$ (15,067,090)	\$ 5,707,064	\$ (71,810)	\$ (20,020,906)	\$ (5,569,448)	\$ (2,743,669)	\$ (7,836,274)	\$ (13,236,016)	\$ (2,693,528)
District's covered payroll	\$ 26,856,193	\$ 26,892,034	\$ 25,501,307	\$ 25,328,773	\$ 25,801,370	\$ 26,441,953	\$ 26,364,176	\$ 27,067,398	\$ 25,702,853	\$ 24,176,941
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	40.00%	56.03%	22.38%	0.28%	77.60%	21.06%	10.41%	28.95%	51.50%	11.14%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
NYTRS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.485893%	0.485140%	0.488532%	0.495474%	0.509973%	0.505197%	0.506470%	0.492860%	0.500747%	0.475596%
District's proportionate share of the net pension asset/(liability)	\$ (5,556,599)	\$ (9,309,311)	\$ 84,657,984	\$ (13,691,293)	\$ 13,249,143	\$ 9,135,300	\$ 3,849,673	\$ (5,278,734)	\$ 52,011,658	\$ 52,978,484
District's covered payroll	\$ 89,610,610	\$ 86,237,752	\$ 82,899,575	\$ 84,689,267	\$ 85,676,537	\$ 82,702,105	\$ 81,519,061	\$ 76,559,914	\$ 75,523,165	\$ 70,952,614
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.20%	10.79%	102.12%	16.17%	15.46%	11.05%	4.72%	6.89%	68.87%	74.67%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Note to Required Supplementary Information

*The amounts presented for each fiscal year were determined as of the measurement date of the plans.

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30,

NYSERS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,852,741	\$ 3,056,444	\$ 3,909,904	\$ 3,931,457	\$ 3,993,017	\$ 4,034,883	\$ 4,158,078	\$ 3,991,824	\$ 4,629,915	\$ 4,690,236
Contributions in relation to the contractually required contribution	3,852,741	3,056,444	3,909,904	3,931,457	3,993,017	4,034,883	4,158,078	3,991,824	4,629,915	4,690,236
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 27,077,793	\$ 26,157,893	\$ 25,666,381	\$ 25,128,036	\$ 25,667,998	\$ 26,640,220	\$ 26,129,100	\$ 27,035,672	\$ 26,183,395	\$ 24,685,374
Contributions as a percentage of covered payroll	14.23%	11.68%	15.23%	15.65%	15.56%	15.15%	15.91%	14.77%	17.68%	19.00%

NYTRS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,920,557	\$ 9,234,266	\$ 8,421,855	\$ 7,900,630	\$ 7,451,026	\$ 9,039,621	\$ 8,062,837	\$ 9,383,918	\$ 10,079,951	\$ 13,185,891
Contributions in relation to the contractually required contribution	8,920,557	9,234,266	8,421,855	7,900,630	7,451,026	9,039,621	8,062,837	9,383,918	10,079,951	13,185,891
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 91,745,183	\$ 89,610,610	\$ 86,237,752	\$ 82,899,575	\$ 84,689,267	\$ 85,676,537	\$ 82,702,105	\$ 81,519,061	\$ 76,559,914	\$ 75,523,165
Contributions as a percentage of covered payroll	9.72%	10.30%	9.77%	9.53%	8.80%	10.55%	9.75%	11.51%	13.17%	17.46%

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 14,177,062	\$ 12,578,673	\$ 18,565,140	\$ 15,444,554	\$ 11,265,534	\$ 7,569,244	\$ 8,507,037
Interest	16,526,729	14,866,137	11,018,554	9,737,385	12,362,248	10,582,023	9,867,545
Changes of benefit terms	(622,987)	-	-	418,561	-	-	-
Differences between expected and actual experience	-	-	-	(15,562,520)	-	(25,642,346)	(13,147,177)
Changes of assumptions or other inputs	(18,600,395)	14,909,304	(103,342,548)	66,074,810	68,163,663	90,969,403	-
Benefit payments	<u>(11,511,718)</u>	<u>(10,723,740)</u>	<u>(10,166,337)</u>	<u>(9,278,787)</u>	<u>(7,848,279)</u>	<u>(6,962,728)</u>	<u>(6,067,492)</u>
Net change in total OPEB liability	(31,309)	31,630,374	(83,925,191)	66,834,003	83,943,166	76,515,596	(840,087)
Total OPEB liability - beginning	<u>444,314,305</u>	<u>412,683,931</u>	<u>496,609,122</u>	<u>429,775,119</u>	<u>345,831,953</u>	<u>269,316,357</u>	<u>270,156,444</u>
Total OPEB liability - ending	<u>\$ 444,282,996</u>	<u>\$ 444,314,305</u>	<u>\$ 412,683,931</u>	<u>\$ 496,609,122</u>	<u>\$ 429,775,119</u>	<u>\$ 345,831,953</u>	<u>\$ 269,316,357</u>
Covered-employee payroll	\$ 103,741,100	\$ 103,741,100	\$ 102,756,842	\$ 102,756,842	\$ 103,915,462	\$ 103,915,462	\$ 76,457,106
Total OPEB liability as a percentage of covered-employee payroll	428.26%	428.29%	401.61%	483.29%	413.58%	332.80%	352.25%
Discount Rate:	3.93%	3.65%	3.54%	2.16%	2.21%	3.87%	3.58%

Notes to Schedule:*Trust Assets*

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

Changes of Assumptions:

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

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 252,864,607
Add: Prior year's encumbrances	<u>284,466</u>
Original Budget	<u>253,149,073</u>
Final Budget	<u><u>\$ 253,149,073</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 voter approved expenditure budget	<u><u>\$ 294,039,602</u></u>
Maximum allowed (4% of the 2024-2025 budget)	<u><u>\$ 11,761,584</u></u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:

Unrestricted fund balance:	
Assigned fund balance	\$ 556,487
Unassigned fund balance	<u>11,552,521</u>
Total unrestricted fund balance	12,109,008
Less:	
Encumbrances included in assigned fund balance	<u>556,487</u>
General fund fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 11,552,521</u></u>
Actual percentage	3.93%

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance	Proceeds of Obligations	Methods of Financing		Total	Fund Balance June 30, 2024
			Prior Year's	Current Year	Total			State Aid	Local Sources		
Non-aidable	\$ 511,467	\$ 511,467	\$ 408,890	\$ -	\$ 408,890	\$ 102,577	\$ 511,467	\$ -	\$ -	\$ 511,467	\$ 102,577
Smart Schools Bond	7,196,811	7,196,811	4,439,584	51,270	4,490,854	2,705,957		4,421,059		4,421,059	(69,795) *
District-Wide ceilings	4,250,000	4,250,000	4,206,134	49,321	4,255,455	(5,455)			4,250,204	4,250,204	(5,251) **
Energy performance contract	7,423,335	7,423,335	7,043,560	257,299	7,300,859	122,476	7,423,335			7,423,335	122,476
District wide improvements	40,000,000	40,000,000	2,819,558	11,419,721	14,239,279	25,760,721			6,000,000	6,000,000	(8,239,279) **
Donated land and building			15,192		15,192	(15,192)				-	(15,192) **
Capital project	16,800,000	16,800,000	16,406,106		16,406,106	393,894	12,525,000	3,316,280	850,005	16,691,285	285,179
Capital project	24,890,000	24,890,000	23,910,950		23,910,950	979,050	17,900,000		6,103,489	24,003,489	92,539
TOTAL	\$ 101,071,613	\$ 101,071,613	\$ 59,249,974	\$ 11,777,611	\$ 71,027,585	\$ 30,044,028	\$ 38,359,802	\$ 7,737,339	\$ 17,203,698	\$ 63,300,839	\$ (7,726,746)

* The negative fund balance will be eliminated once New York State Smart Schools Bond Act funds are received.

** The negative fund balance will be eliminated once permanent financing is obtained.

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2024**

Capital assets, net		\$	123,143,138
Intangible lease assets, net			42,210
Deduct:			
Capital related accounts payable			987,293
Short-term portion of bonds payable (inclusive of unamortized premiums)	\$	2,148,475	
Long-term portion of bonds payable (inclusive of unamortized premiums)		14,224,341	
Less: unspent bond proceeds		<u>(225,053)</u>	16,147,763
Short-term portion of lease liability			24,113
Short-term portion of energy performance contract debt payable	\$	1,438,899	
Long-term portion of energy performance contract debt payable		<u>7,541,584</u>	<u>8,980,483</u>
Net investment in capital assets		\$	<u><u>97,045,696</u></u>

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
Central Islip Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Central Islip Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control over Financial Reporting

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

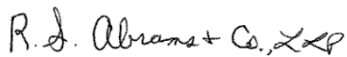
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in dark ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, flowing style.

R.S. Abrams & Co., LLP
Islandia, New York
November 7, 2024