

REPORT TO THE BOARD

October 30, 2025

The Board of Education
William Floyd Union Free School District

Dear Board Members:

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of William Floyd Union Free School District (the District) for the year ended June 30, 2025 and have issued our report thereon dated October 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Summary of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in note 1 to the financial statements. The District adopted the provisions of the Governmental Accounting Standards Board Statement No. 101 - "Compensated Absences," during the year ended June 30, 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2025, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

This information is intended solely for the information and use of the Board of Education and management of William Floyd Union Free School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
June 30, 2025

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report | 1 - 3 |
| Management's Discussion and Analysis | 4 - 14 |
| Basic Financial Statements: | |
| Statement of Net Position | 15 - 16 |
| Statement of Activities | 17 |
| Balance Sheet - Governmental Funds | 18 |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position | 19 |
| Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds | 20 |
| Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities | 21 |
| Statement of Change in Fiduciary Net Position - Fiduciary Fund | 22 |
| Notes to Financial Statements | 23 - 53 |
| Required Supplementary Information: | |
| Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 54 - 55 |
| Schedule of District's Proportionate Share of the Net Pension Asset/Liability | 56 |
| Schedule of District's Pension Contributions | 57 |
| Schedule of Changes in District's Total OPEB Liability and Related Ratios | 58 |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Table of Contents, Continued

| | <u>Page</u> |
|--|-------------|
| Other Supplementary Information: | |
| Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit Calculation | 59 |
| Schedule of Project Expenditures - Capital Projects Fund | 60 |
| Net Investment in Capital Assets | 61 |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 62 - 63 |

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INDEPENDENT AUDITORS' REPORT

The Board of Education
William Floyd 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 aggregate remaining fund information of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2025, and the related notes to 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, 2025, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 accompanying other supplementary information as 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 GAAS. In our opinion, the other supplementary 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 October 30, 2025 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 30, 2025

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

The William Floyd Union Free School District's (the District) management's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the year ended June 30, 2025 in comparison with the year ended June 30, 2024, with emphasis on the current year. This should be read in conjunction with the financial statements, which immediately follow this section.

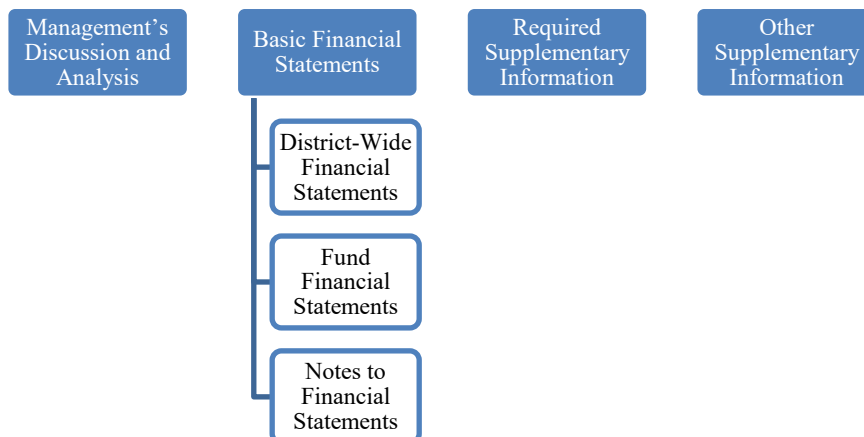
1. FINANCIAL HIGHLIGHTS

Key financial highlights for year ended June 30, 2025 are as follows:

- The District's total net position, as reflected in the District-Wide financial statements increased by \$20,399,558 or 13%.
- The District's expenses for the year, as reflected in the District-Wide financial statements, totaled \$323,851,170. Of this amount, \$608,943 was offset by program charges for services, \$25,142,379 was offset by operating grants, and \$647,401 was offset by capital grants. The remaining expenses of \$297,425,447 were offset by general revenue of \$317,825,005 resulting in an increase in net position of \$20,399,558.
- Expenses increased by \$94,034,133 to \$323,851,170 in 2025 from \$229,817,037 in 2024. This increase is primarily attributable to actuarial changes to amounts reported for other postemployment benefits (OPEB) as well as increased personnel costs.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by \$24,910,473 as revenue and other financing sources exceeded expenditures and other financing uses.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (MD&A), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements consist of District-Wide financial statements, fund financial statements and notes to financial statements. A graphic display of the relationship of these statements follows:



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

A. District-Wide Financial Statements

The District-Wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-Wide financial statements - the statement of net position and the statement of activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

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

The Statement of Activities

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

B. Funds Financial Statements

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

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

Governmental Funds

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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

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

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

Fiduciary Fund

The fiduciary fund is used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate statement of changes in fiduciary net position. The fiduciary activities have been excluded from the District-Wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased by \$20,399,558 between fiscal year 2025 and 2024. A summary of the District's Statements of Net Position is as follows:

| | <u>2025</u> | <u>2024</u> | <u>Increase (decrease)</u> | <u>Percentage change</u> |
|---|-----------------------|----------------------|--------------------------------|------------------------------|
| Current assets | \$ 227,328,844 | 193,749,235 | 33,579,609 | 17% |
| Capital assets, net | 230,344,723 | 230,466,157 | (121,434) | (0%) |
| Net pension asset - proportionate share - TRS | <u>17,541,163</u> | <u>-</u> | <u>17,541,163</u> | 100% |
| Total assets | <u>475,214,730</u> | <u>424,215,392</u> | <u>50,999,338</u> | 12% |
| Deferred outflows of resources | <u>174,653,802</u> | <u>202,645,636</u> | <u>(27,991,834)</u> | (14%) |
| Current liabilities | 47,446,782 | 46,035,844 | 1,410,938 | 3% |
| Non-current liabilities | <u>271,831,186</u> | <u>283,934,016</u> | <u>(12,102,830)</u> | (4%) |
| Total liabilities | <u>319,277,968</u> | <u>329,969,860</u> | <u>(10,691,892)</u> | (3%) |
| Deferred inflows of resources | <u>149,723,648</u> | <u>136,423,810</u> | <u>13,299,838</u> | 10% |
| Net position: | | | | |
| Net investment in capital assets | 232,632,843 | 235,169,576 | (2,536,733) | (1%) |
| Restricted | 128,920,100 | 87,374,343 | 41,545,757 | 48% |
| Unrestricted (deficit) | <u>(180,686,027)</u> | <u>(162,076,561)</u> | <u>(18,609,466)</u> | (11%) |
| Total net position | <u>\$ 180,866,916</u> | <u>160,467,358</u> | <u>20,399,558</u> | 13% |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Current assets increased by \$33,579,609, as compared to the prior year. This increase is primarily due to an increase cash and equivalents and increased general state aid.

Capital assets decreased by \$121,434, as compared to the prior year. Note 5 to the financial statements provides additional information.

Net pension asset - proportionate share - TRS increased by \$17,541,163 due to actuarially determined changes as reported by New York State.

Deferred outflows of resources decreased by \$27,991,834, as compared to the prior year. This is due to actuarially determined changes related to pensions as reported by New York State.

Current liabilities increased by \$1,410,938, primarily due to an increase in accounts payable and unearned revenue.

Non-current liabilities decreased by \$12,102,830, as compared to the prior year. This decrease is primarily due to actuarily determined decreases in the amounts reported for pensions and total OPEB liability.

Deferred inflows of resources increased by \$13,299,838, as compared to the prior year. This is primarily due to actuarially determined changes related to OPEB.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The unrestricted net position (deficit) at June 30, 2025 is \$180,686,027, which represents the amount by which the District's assets, other than capital assets, and deferred outflows of resources exceeded liabilities and deferred inflows of resources, excluding debt related to capital construction, less amounts restricted by enabling legislation. This deficit is a direct result of reporting the total other postemployment benefit liability of \$223,465,502 as required by GASB Statement No. 75.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the statement of activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items lines. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

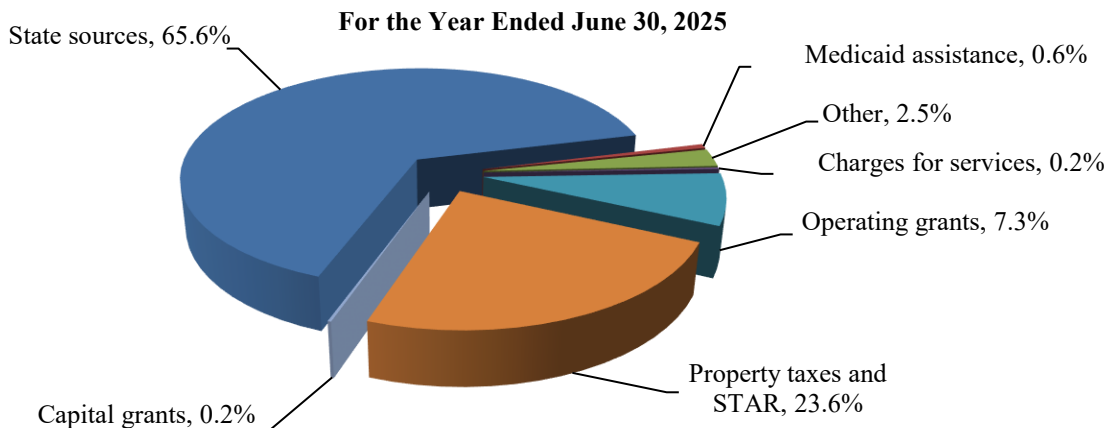
WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

| | <u>2025</u> | <u>2024</u> | <u>Increase (decrease)</u> | <u>Percentage change</u> |
|-------------------------|----------------------|--------------------|--------------------------------|------------------------------|
| Revenue: | | | | |
| Program revenue: | | | | |
| Charges for services | \$ 608,943 | 861,163 | (252,220) | (29%) |
| Operating grants | 25,142,379 | 28,481,739 | (3,339,360) | (12%) |
| Capital grants | 674,401 | - | 674,401 | 100% |
| General revenue: | | | | |
| Property taxes and STAR | 81,271,598 | 77,434,688 | 3,836,910 | 5% |
| State sources | 225,933,838 | 214,794,550 | 11,139,288 | 5% |
| Medicaid assistance | 1,902,967 | 1,319,618 | 583,349 | 44% |
| Other sources | <u>8,716,602</u> | <u>6,809,495</u> | <u>1,907,107</u> | 28% |
| Total revenue | <u>344,250,728</u> | <u>329,701,253</u> | <u>14,549,475</u> | 4% |
| Expenses: | | | | |
| General support | 37,183,230 | 26,892,325 | 10,290,905 | 38% |
| Instruction | 250,704,290 | 169,553,851 | 81,150,439 | 48% |
| Pupil transportation | 26,605,373 | 24,833,032 | 1,772,341 | 7% |
| Community services | 42,600 | 112,251 | (69,651) | (62%) |
| Interest | 795,202 | 913,713 | (118,511) | (13%) |
| Food service program | <u>8,520,475</u> | <u>7,511,865</u> | <u>1,008,610</u> | 13% |
| Total expenses | <u>323,851,170</u> | <u>229,817,037</u> | <u>94,034,133</u> | 41% |
| Change in net position | <u>\$ 20,399,558</u> | <u>99,884,216</u> | <u>(79,484,658)</u> | (80%) |

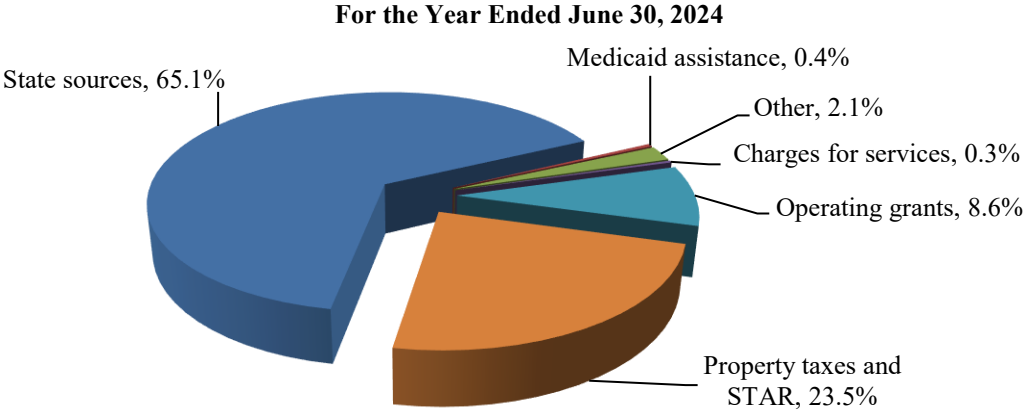
The District's total revenue increased by 4% in 2025 or \$14,549,475. The major factors that contributed to the increase was increased revenue from state sources offset by a decrease in operating grants.

The District's expenses for the year increased by 41% in 2025 or \$94,034,133 primarily as a result of actuarially determined changes in amounts reported for OPEB and increased personnel costs.

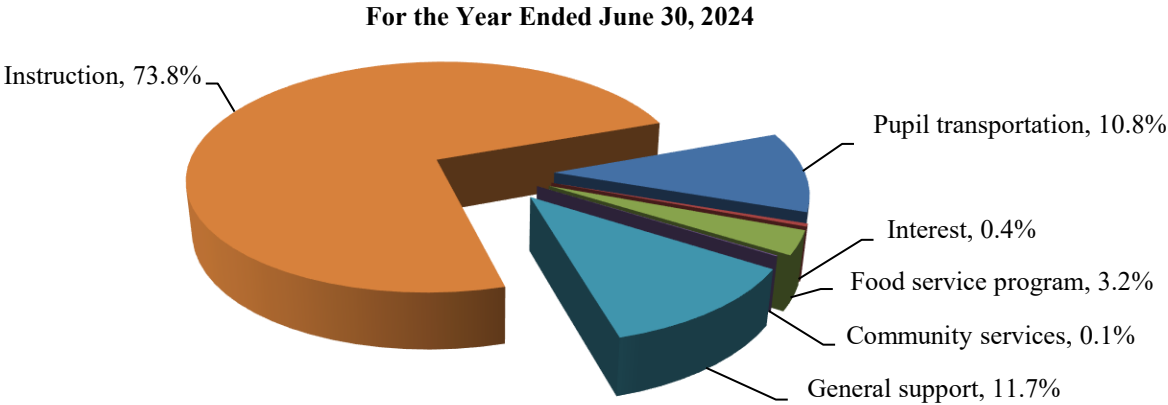
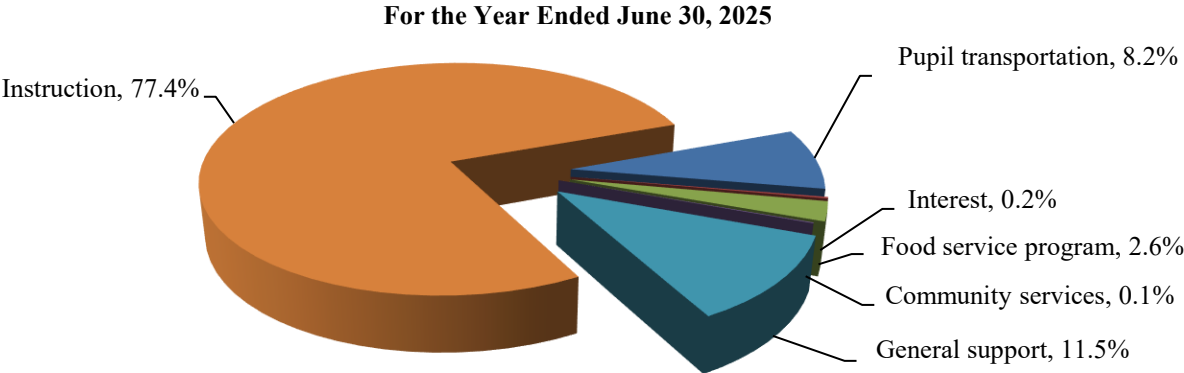
A graphic display of the distribution of revenue for the two years follows:



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued



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



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2025, the District's governmental funds reported a combined fund balance of \$160,010,945, which is an increase of \$32,975,159 from the prior year. This increase is due to an excess of revenue over expenditures based upon the modified accrual basis of accounting. A summary of the change in fund balance by fund is as follows:

| | <u>2025</u> | <u>2024</u> | <u>Increase (decrease)</u> |
|--|-----------------------|--------------------|--------------------------------|
| General Fund: | | | |
| Nonspendable | \$ - | 374,252 | (374,252) |
| Restricted: | | | |
| Workers' compensation | 9,690,695 | 9,506,274 | 184,421 |
| Unemployment insurance | 231,568 | 227,161 | 4,407 |
| Retirement contribution | 29,117,284 | 27,069,502 | 2,047,782 |
| Insurance | 3,000,000 | 3,000,000 | - |
| Liabilities | 7,900,000 | 7,900,000 | - |
| Employee benefit accrued liability | 11,480,000 | 11,265,125 | 214,875 |
| Capital repairs | 11,147,510 | 7,030,518 | 4,116,992 |
| Capital projects | <u>38,407,422</u> | <u>21,000,000</u> | <u>17,407,422</u> |
| Total restricted | <u>110,974,479</u> | <u>86,998,580</u> | <u>23,975,899</u> |
| Assigned: | | | |
| General support | 957,881 | 3,203,838 | (2,245,957) |
| Instruction | 3,127,056 | 2,598,494 | 528,562 |
| Pupil transportation | 129,728 | 28,288 | 101,440 |
| Employee benefits | 455,232 | - | 455,232 |
| Appropriated | <u>5,187,227</u> | <u>4,000,000</u> | <u>1,187,227</u> |
| Total assigned | <u>9,857,124</u> | <u>9,830,620</u> | <u>26,504</u> |
| Unassigned | <u>13,039,189</u> | <u>11,756,867</u> | <u>1,282,322</u> |
| Total general fund | <u>133,870,792</u> | <u>108,960,319</u> | <u>24,910,473</u> |
| School Food Service Fund: | | | |
| Nonspendable - inventory | 11,690 | 15,742 | (4,052) |
| Assigned - unappropriated | <u>5,031,051</u> | <u>4,883,379</u> | <u>147,672</u> |
| Total school lunch fund | <u>5,042,741</u> | <u>4,899,121</u> | <u>143,620</u> |
| Capital Projects Fund: | | | |
| Restricted - installment purchase debt | 8,841,875 | 8,836,872 | 5,003 |
| Assigned | <u>11,862,769</u> | <u>3,963,711</u> | <u>7,899,058</u> |
| Total capital projects fund | <u>20,704,644</u> | <u>12,800,583</u> | <u>7,904,061</u> |
| Miscellaneous Fund: | | | |
| Restricted: | | | |
| Scholarships | 79,736 | 91,369 | (11,633) |
| Extraclassroom activities | <u>313,032</u> | <u>284,394</u> | <u>28,638</u> |
| Total miscellaneous fund | <u>392,768</u> | <u>375,763</u> | <u>17,005</u> |
| Total fund balance | <u>\$ 160,010,945</u> | <u>127,035,786</u> | <u>32,975,159</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-25 Budget

The District's general fund adopted budget for the year ended June 30, 2025 was \$310,860,689. This was an increase of \$18,342,545 from the prior years adopted budget.

The budget was funded through a combination of revenue and appropriated fund balance. The majority of this funding source was \$225,933,838 in state aid and \$74,503,126 in real property taxes.

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

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

| | |
|---|----------------------|
| Opening, unassigned fund balance | \$ 11,756,867 |
| Revenue and other sources over budget | 14,067,306 |
| Expenditures and other uses and encumbrances under budget | 15,816,663 |
| Change in nonspendable fund balance | 374,252 |
| Net change in restricted funds | (23,975,899) |
| Additional appropriations of fund balance | (1,000,000) |
| Assigned - appropriated | <u>(4,000,000)</u> |
| Closing, unassigned fund balance | \$ <u>13,039,189</u> |

Opening, Unassigned Fund Balance

The \$11,756,867 shown in the table is the portion of the District's June 30, 2024 fund balance that was retained as unassigned.

Revenue and Other Sources Under Budget

The 2024-2025 final budget for revenue was \$306,860,689. The actual revenue and other sources received for the year was \$320,927,995. The actual revenue and other sources was over budgeted revenue by \$14,067,306. This variance contributes directly to the change of the unassigned portion of the general fund balance from June 30, 2024 to June 30, 2025.

Expenditures and Other Uses and Encumbrances Under Budget

The 2024-2025 final budget for expenditures and other uses was \$317,691,309. The actual expenditures and other uses and encumbrances was \$301,874,646. The final budget was under expended by \$15,816,663. This under expenditure also contributes to the change of the unassigned portion of the general fund balance from June 30, 2024 to June 30, 2025.

Additional Appropriations of Fund Balance

The District appropriated additional fund balance during the year to partially fund its 2024-2025 operating budget.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Assigned - Appropriated

The assigned appropriated fund balance of \$4,000,000 is the amount the District has chosen to partially fund its 2025-2026 budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of \$13,039,189, which is 4.00% of the District's 2025-2026 approved operating budget.

6. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

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

| | <u>2025</u> | <u>2024</u> | <u>Increase (decrease)</u> |
|-----------------------------------|-----------------------|--------------------|--------------------------------|
| Land | \$ 35,132,218 | 35,132,218 | - |
| Construction in progress | 65,128,069 | 61,552,730 | 3,575,339 |
| Buildings and improvements | 122,293,860 | 127,544,888 | (5,251,028) |
| Furniture, equipment and vehicles | 4,983,747 | 4,704,818 | 278,929 |
| Right-to-use lease assets | <u>2,806,829</u> | <u>1,531,503</u> | <u>1,275,326</u> |
| Capital assets, net | <u>\$ 230,344,723</u> | <u>230,466,157</u> | <u>(121,434)</u> |

B. Debt Administration

At June 30, 2025, the District had total bonds payable of \$19,970,000. A summary of the outstanding bonds payable at June 30, 2025 and 2024 is as follows:

| | <u>Issue Date</u> | <u>Interest Rate</u> | <u>2025</u> | <u>2024</u> | <u>Increase (decrease)</u> |
|---------------|-----------------------|--------------------------|----------------------|-------------------|--------------------------------|
| Library bonds | 11/2/2021 | 2.00-2.25% | \$ 9,475,000 | 9,975,000 | (500,000) |
| Library bonds | 5/16/2023 | 4.00-5.00% | <u>10,495,000</u> | <u>10,810,000</u> | <u>(315,000)</u> |
| | | | <u>\$ 19,970,000</u> | <u>20,785,000</u> | <u>(815,000)</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- 2024-2025 State Aid was at an all time high and Foundation Aid was fully funded, finally after 18 years. There are major concerns about the ability that New York State has to continue to fund education at the current levels, specifically due to the volatility of the global economy and the federal government gyrations on support of existing programs.
- Operational expenses continue to be a factor on financial decisions along with how they are impacting decisions related to program implementation. Both TRS and ERS employer contributions continue to rise and sustainability of returns based on market returns is concerning for the next 3-5 years.
- The largest expense for the District continues to be related to payroll and increased salary expectations along with a reduction in skilled labor has created a supply and demand problem which is creating higher starting salary rates, than in previous years.
- Once again, tax assessments remain on a positive upswing but with smaller than hoped for increases. As interest rates continue to fall, we anticipate increased activity in the local real estate market, but upkeep of homes in some areas have noticeably declined.
- The District continues to operate under the Community Eligibility Program (CEP) which provides free breakfast and lunch for every student, regardless of income. Both the Federal and State have reduced the leniency to provide for meal distribution which directly impacted our overall meal counts and reimbursements.
- Once again, expense and revenue surpluses were recognized, due to continued monitoring of expenses and revenues being higher than anticipated, specifically from building aid. The residents approved the creation and funding of a new Repair reserve, which was fully funded at June 30, 2025. The local library is the only current long-term obligation that is recorded on the books.
- As student mental and physical health demands continue to increase the District is reviewing ways to influence and deliver academic instruction to an ever-changing student population. The demands created by increased enrollment of foreign language students and parents remains an on-going burden and is creating an area wide shortage in "bilingual" teacher and support staff. This will be a major issue to remain in compliance with state and federal mandates to deliver services for the foreseeable future. Also, creating a higher cost of mandated services which are completely unfunded and shifting the cost to the local taxpayer.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

8. CONTACTING THE DISTRICT

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

Business Office
William Floyd Union Free School District
240 Mastic Beach Road
Mastic Beach, New York 11951

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Statement of Net Position
Governmental Activities
June 30, 2025

| | |
|---|--------------------|
| Assets: | |
| Cash and cash equivalents | \$ 70,078,654 |
| Restricted cash | 120,209,122 |
| Receivables: | |
| State and Federal aid | 16,702,889 |
| Due from other governments | 19,970,000 |
| Accounts receivable | 356,489 |
| Inventory | 11,690 |
| Capital assets, net | 230,344,723 |
| Net pension asset - proportionate share - TRS | <u>17,541,163</u> |
| Total assets | <u>475,214,730</u> |
| Deferred outflows of resources: | |
| Pensions | 46,659,303 |
| OPEB | <u>127,994,499</u> |
| Total deferred outflows of resources | <u>174,653,802</u> |
| Liabilities: | |
| Payables: | |
| Accounts payable | 10,231,749 |
| Accrued liabilities | 1,736,431 |
| Due to other governments | 33 |
| Due to teachers' retirement system | 13,643,787 |
| Due to employees' retirement system | 782,207 |
| Unearned revenue | 21,052,575 |
| Long-term liabilities: | |
| Due and payable within one year: | |
| Bonds payable | 845,000 |
| Installment purchase debt | 212,465 |
| Leases | 892,970 |

(Continued)

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Statement of Net Position
Governmental Activities, Continued

Liabilities, continued:

Due and payable after one year:

| | |
|--|--------------------|
| Bonds payable | \$ 19,125,000 |
| Installment purchase debt | 2,156,334 |
| Leases | 1,890,237 |
| Net pension liability, proportionate share - ERS | 8,972,581 |
| Other postemployment benefits payable | 223,465,502 |
| Compensated absences | 11,521,827 |
| Workers compensation | <u>2,749,270</u> |
| Total liabilities | <u>319,277,968</u> |

Deferred inflows of resources:

| | |
|------------------------|--------------------|
| Pensions | 23,900,664 |
| OPEB | <u>125,822,984</u> |
| Total deferred inflows | <u>149,723,648</u> |

Net position:

| | |
|----------------------------------|------------------------------|
| Net investment in capital assets | 232,632,843 |
| Restricted | 128,920,100 |
| Unrestricted (deficit) | <u>(180,686,027)</u> |
| Total net position | <u><u>\$ 180,866,916</u></u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Statement of Activities
Governmental Activities
Year ended June 30, 2025

| | | Program Revenue | | | Net (Expense) |
|--|-----------------------|--------------------|-------------------|----------------------|-----------------------|
| | <u>Expenses</u> | <u>Charges for</u> | <u>Operating</u> | <u>Capital</u> | Revenue and |
| Functions/programs: | | <u>Services</u> | <u>Grants</u> | <u>Grants and</u> | Changes in |
| | | | | <u>Contributions</u> | <u>Net Position</u> |
| General support | \$ 37,183,230 | - | - | 674,401 | (36,508,829) |
| Instruction | 250,704,290 | 142,184 | 17,577,460 | - | (232,984,646) |
| Pupil transportation | 26,605,373 | - | - | - | (26,605,373) |
| Community services | 42,600 | - | - | - | (42,600) |
| Interest | 795,202 | - | - | - | (795,202) |
| Food service program | <u>8,520,475</u> | <u>466,759</u> | <u>7,564,919</u> | <u>-</u> | <u>(488,797)</u> |
| Total functions and programs | <u>\$ 323,851,170</u> | <u>608,943</u> | <u>25,142,379</u> | <u>674,401</u> | <u>(297,425,447)</u> |
| General revenue: | | | | | |
| Real property taxes | | | | | 74,503,126 |
| STAR and other real property tax items | | | | | 6,768,472 |
| Use of money and property | | | | | 5,438,578 |
| Sale of property and compensation for loss | | | | | 9,753 |
| State sources | | | | | 225,933,838 |
| Medicaid assistance | | | | | 1,902,967 |
| Miscellaneous | | | | | <u>3,268,271</u> |
| Total general revenue | | | | | <u>317,825,005</u> |
| Change in net position | | | | | 20,399,558 |
| Net position at beginning of year | | | | | <u>160,467,358</u> |
| Net position at end of year | | | | | <u>\$ 180,866,916</u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025

| | <u>General</u> | <u>School Food Service</u> | <u>Special Aid</u> | <u>Capital Projects</u> | <u>Miscellaneous</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|-----------------------|------------------------------------|------------------------|-----------------------------|----------------------|---|
| <u>Assets</u> | | | | | | |
| Cash: | | | | | | |
| Unrestricted | \$ 52,316,324 | 5,964,778 | 1,444,492 | 10,353,060 | - | 70,078,654 |
| Restricted | 110,974,479 | - | - | 8,841,875 | 392,768 | 120,209,122 |
| Receivables: | | | | | | |
| Due from other funds | 15,897,127 | - | 1,633,593 | 9,268,107 | - | 26,798,827 |
| State and Federal aid | 9,751,275 | 522,909 | 5,754,304 | 674,401 | - | 16,702,889 |
| Other receivables | 348,562 | 7,927 | - | - | - | 356,489 |
| Inventory | - | 11,690 | - | - | - | 11,690 |
| Total assets | <u>\$ 189,287,767</u> | <u>6,507,304</u> | <u>8,832,389</u> | <u>29,137,443</u> | <u>392,768</u> | <u>234,157,671</u> |
| <u>Liabilities and Fund Balance</u> | | | | | | |
| Liabilities: | | | | | | |
| Payables: | | | | | | |
| Accounts payable | 8,330,347 | 492,878 | 6,775 | 1,401,749 | - | 10,231,749 |
| Accrued liabilities | 1,607,058 | 19,736 | 10,754 | - | - | 1,637,548 |
| Due to other funds | 10,852,288 | 951,916 | 7,963,573 | 7,031,050 | - | 26,798,827 |
| Due to other governments | - | 33 | - | - | - | 33 |
| Due to teachers' retirement system | 13,643,787 | - | - | - | - | 13,643,787 |
| Due to employees' retirement system | 782,207 | - | - | - | - | 782,207 |
| Unearned revenue | 20,201,288 | - | 851,287 | - | - | 21,052,575 |
| Total liabilities | <u>55,416,975</u> | <u>1,464,563</u> | <u>8,832,389</u> | <u>8,432,799</u> | <u>-</u> | <u>74,146,726</u> |
| Fund balance: | | | | | | |
| Nonspendable | - | 11,690 | - | - | - | 11,690 |
| Restricted | 110,974,479 | - | - | 8,841,875 | 392,768 | 120,209,122 |
| Assigned | 9,857,124 | 5,031,051 | - | 11,862,769 | - | 26,750,944 |
| Unassigned | 13,039,189 | - | - | - | - | 13,039,189 |
| Total fund balance | <u>133,870,792</u> | <u>5,042,741</u> | <u>-</u> | <u>20,704,644</u> | <u>392,768</u> | <u>160,010,945</u> |
| Total liabilities and fund balance | <u>\$ 189,287,767</u> | <u>6,507,304</u> | <u>8,832,389</u> | <u>29,137,443</u> | <u>392,768</u> | <u>234,157,671</u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

| | | |
|--|----------------------|-----------------------|
| Total governmental fund balance | | \$ 160,010,945 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The assets consist of: | | |
| Capital assets | \$ 428,118,826 | |
| Accumulated depreciation | <u>(197,774,103)</u> | |
| Total capital assets | | 230,344,723 |
| Deferred aid | | 19,970,000 |
| Some deferred inflows and outflows are not reported in the funds. These consist of the following: | | |
| Deferred outflows - pensions | 46,659,303 | |
| Deferred inflows - pensions | (23,900,664) | |
| Deferred outflows - OPEB | 127,994,499 | |
| Deferred inflows - OPEB | <u>(125,822,984)</u> | 24,930,154 |
| Long-term liabilities including accrued interest are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year end consist of: | | |
| Accrued interest | (98,883) | |
| Bonds payable | (19,970,000) | |
| Installment purchase debt | (2,368,799) | |
| Capital lease obligations | (2,783,207) | |
| Other postemployment benefits | (223,465,502) | |
| Compensated absences | (11,521,827) | |
| Workers compensation | <u>(2,749,270)</u> | (262,957,488) |
| The District's proportionate share of the net pension assets/liabilities are not current period items and therefore are not reported in the governmental funds. | | |
| Net pension liability - proportionate share - ERS | (8,972,581) | |
| Net pension asset - proportionate share - TRS | <u>17,541,163</u> | <u>8,568,582</u> |
| Total net position - end of year | | <u>\$ 180,866,916</u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2025

| | <u>General</u> | <u>School Food Service</u> | <u>Special Aid</u> | <u>Capital Projects</u> | <u>Miscellaneous</u> | <u>Total Governmental Funds</u> |
|--|-----------------------|------------------------------------|------------------------|-----------------------------|----------------------|---|
| Revenue: | | | | | | |
| Real property taxes | \$ 74,503,126 | - | - | - | - | 74,503,126 |
| STAR and other real property tax items | 6,768,472 | - | - | - | - | 6,768,472 |
| Charges for services | 142,184 | - | - | - | - | 142,184 |
| Use of money and property | 5,339,875 | 98,674 | - | - | 29 | 5,438,578 |
| Sale of property and compensation for loss | 9,753 | - | - | - | - | 9,753 |
| Miscellaneous | 3,885,683 | - | 138,012 | - | 59,576 | 4,083,271 |
| State sources | 225,933,838 | 636,067 | 5,807,814 | 674,401 | - | 233,052,120 |
| Federal sources | 1,902,967 | 6,928,852 | 11,769,646 | - | - | 20,601,465 |
| School lunch sales | - | 466,759 | - | - | - | 466,759 |
| Total revenue | <u>318,485,898</u> | <u>8,130,352</u> | <u>17,715,472</u> | <u>674,401</u> | <u>59,605</u> | <u>345,065,728</u> |
| Expenditures: | | | | | | |
| General support | 29,904,724 | - | - | 3,575,340 | - | 33,480,064 |
| Instruction | 162,548,126 | - | 15,914,903 | - | - | 178,463,029 |
| Pupil transportation | 25,460,392 | - | 996,708 | - | - | 26,457,100 |
| Community services | - | - | - | - | 42,600 | 42,600 |
| Food service program | - | 7,817,328 | - | - | - | 7,817,328 |
| Employee benefits | 63,620,448 | 169,404 | 1,440,435 | - | - | 65,230,287 |
| Debt service - principle | 2,238,544 | - | - | - | - | 2,238,544 |
| Debt service - interest | 803,714 | - | - | - | - | 803,714 |
| Total expenditures | <u>284,575,948</u> | <u>7,986,732</u> | <u>18,352,046</u> | <u>3,575,340</u> | <u>42,600</u> | <u>314,532,666</u> |
| Excess (deficiency) of revenue over expenditures | <u>33,909,950</u> | <u>143,620</u> | <u>(636,574)</u> | <u>(2,900,939)</u> | <u>17,005</u> | <u>30,533,062</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds of leases | 2,442,097 | - | - | - | - | 2,442,097 |
| Transfers in | - | - | 636,574 | 10,805,000 | - | 11,441,574 |
| Transfers (out) | (11,441,574) | - | - | - | - | (11,441,574) |
| Total other financing sources (uses) | <u>(8,999,477)</u> | <u>-</u> | <u>636,574</u> | <u>10,805,000</u> | <u>-</u> | <u>2,442,097</u> |
| Excess of revenue and other sources over expenditures and other (uses) | 24,910,473 | 143,620 | - | 7,904,061 | 17,005 | 32,975,159 |
| Fund balance at beginning of year | <u>108,960,319</u> | <u>4,899,121</u> | <u>-</u> | <u>12,800,583</u> | <u>375,763</u> | <u>127,035,786</u> |
| Fund balance at end of year | <u>\$ 133,870,792</u> | <u>5,042,741</u> | <u>-</u> | <u>20,704,644</u> | <u>392,768</u> | <u>160,010,945</u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balance - Governmental Funds to the Statement of Activities
Year ended June 30, 2025

| | | |
|--|--------------------|----------------------|
| Net change in fund balance | | \$ 32,975,159 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Long-term assets are not available in the current period and, therefore, change are not reported in the funds. | | (815,000) |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation exceeded capital outlay in the current period. | | |
| Additions of assets, net | \$ 9,316,271 | |
| Disposals | (294,285) | |
| Depreciation | <u>(9,143,420)</u> | (121,434) |
| Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. The issuance of debt is recorded as a revenue in the funds but reported as a long-term liability in the statement of net position. Also, the governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Bond principal payments | 815,000 | |
| EPC payments | 207,497 | |
| Lease payments | 1,216,047 | |
| Issue lease | <u>(2,442,097)</u> | (203,553) |
| Compensated absences represent the value of the earned and unused portion of the liability for the vacation and compensatory time. They are reported in the statement of activities but do not require the use of the current financial resources and therefore are not reported as expenditures in the governmental funds. This is the net change of compensated absences. | | (138,775) |
| Increase in workers' compensation unfunded liability | | 286,357 |
| Some items reported in the statement of activities related to pensions do not require the use of current period resources and are not reported as revenues or expenditures in the governmental funds. | | |
| Net change in pension - TRS | 2,941,964 | |
| Net change in pension - ERS | <u>576,806</u> | 3,518,770 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. | | 8,512 |
| Other postemployment benefits represent the value of the unfunded portion of the cost of benefits for current and former employees upon retirement. They are reported in the statement of activities but do not require the use of the current financial resources and therefore are not reported as expenditures in the governmental funds. | | <u>(15,110,478)</u> |
| Change in net assets of governmental activities | | <u>\$ 20,399,558</u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Statement of Change in Fiduciary Net Position
Fiduciary Fund
Year ended June 30, 2025

| | Custodial <u>Fund</u> |
|---|--------------------------|
| Additions - library taxes | \$ 11,806,500 |
| Deductions - library taxes | <u>11,806,500</u> |
| Change in net position | - |
| Fiduciary net position at beginning of the year | <u>-</u> |
| Fiduciary net position at end of year | <u><u>\$ -</u></u> |

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

The basic financial statements of William Floyd Union Free School District (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are as follows:

(a) Reporting Entity

The District is governed by the laws of New York State (the State). The District is an independent entity governed by an elected Board of Education (the Board) consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB. 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, the following entity is included in the District's financial statements:

Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. The District reports these assets held by it as agent for the extraclassroom organizations as a special revenue fund. Separate audited financial statements of the extraclassroom activity funds can be found at the District's Business Office.

(b) Joint Venture

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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Venture, Continued

BOCES are organized under Section §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a 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 under 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 and capital cost is determined by resident public school district enrollment as defined in Education Law, Section §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$30,237,966 for BOCES administrative and program costs and recognized \$4,054,142 in revenue as the District's share of BOCES aid.

Participating school districts issue debt on behalf of BOCES. As of year end, there was no debt issued by the District on behalf of BOCES.

Financial statements for Eastern Suffolk BOCES are available from the business office located at 201 Sunrise Highway, Patchogue, New York 11772-1868.

(c) Basis of Presentation

(i) District-Wide Statements

The statement of net position and the statement of activities present information about the overall governmental financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and non-exchange transactions. Operating grants 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 a program or function and, therefore, are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue include: (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants, contributions and other revenues that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including real property taxes and state aid, is presented as general revenue.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(ii) Fund Financial Statements

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

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

General Fund - is the District's primary operating fund and is used to account for and report all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three special revenue funds:

Special Aid Fund - is used to account for and report the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes.

School Food Service Fund - is used to account for and report the activities of the school food service operations.

Miscellaneous Fund - is used to account for and report resources over which the District exercises administrative control but do not belong to the District.

Capital Projects Fund - is used to account for and report the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Fund - is used to account for activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the District, and are not available to be used. There is one fiduciary fund:

Custodial Fund - this fund is used to account for monies and other resources held by the District in a trustee or agent capacity pending payment to the applicable agencies.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus and Basis of Accounting

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property 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 and the related expenditures are incurred.

The governmental funds statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

(e) Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Cash and Cash Equivalents, Continued

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.

(g) Real Property Taxes

Real property taxes are levied annually by the Board. Taxes are collected from December to June. Uncollected real property taxes are subsequently enforced by Suffolk County in which the District is located.

(h) 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.

(i) Interfund Transactions

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

The amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in note 11 to the financial statements.

(j) Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received.

The District uses a capitalization threshold of \$5,000 (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

| | <u>Estimated useful life</u> | <u>Depreciation Method</u> |
|-----------------------------------|----------------------------------|--------------------------------|
| Land improvements | 20 years | Straight-Line |
| Furniture, equipment and vehicles | 5-20 years | Straight-Line |
| Buildings and improvements | 40 years | Straight-Line |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Inventory

The inventory, which consists of surplus food in the school food service fund, is recorded at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

A reserve for nonspendable assets (inventory) has been recognized to signify that a portion of fund balance is not available for subsequent expenditures.

(l) Deferred Outflow of Resources and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has two items that qualify for reporting in this category, the first of which is related to pensions reported in the District-Wide statement of net position in the amount of \$46,659,303. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included in this item are the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The second item is related to other postemployment benefits reported in the statement of net position in the amount of \$127,994,499. This represents differences between expected and actual experience and changes of assumptions or other inputs.

Deferred inflows of resources are reported when revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arises when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. The District has reported deferred inflows of \$23,900,664 for pensions, and \$125,822,984 for other postemployment benefits. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the deferred inflow of resources is removed and expenses are reduced.

(m) Compensated Absences

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.

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

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Retirement Plans

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

(o) Short-Term Debt

The District may issue Tax Anticipation Notes (TAN) in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

(p) Other Postemployment Benefits

In addition to providing pension benefits, the District provides health insurance coverage for retired employees. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District.

(q) Budgetary Procedures and Budgetary Accounting

The District administration prepares a proposed budget for approval by the Board for the general fund for which a legal (appropriated) budget is adopted.

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. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

(r) Budget Revisions

The Board of Education voted to amend the general fund budget as follows:

| | |
|------------------|-----------------------|
| Original budget | \$ 316,691,309 |
| Budget revisions | <u>1,000,000</u> |
| Final budget | \$ <u>317,691,309</u> |

(s) 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 reservations 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.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(t) Unearned Revenue

Section 9 of the Suffolk County Tax Act allows the Board to raise an additional tax not more than 30% of the tax levy for the purposes of a contingency fund. At June 30, 2025, the District has set aside \$20,000,000 for this purpose. This amount is recorded as unearned revenue as required by the New York State Comptroller.

Also included in unearned revenue is \$201,288 for revisions to prior years' state aid and \$851,287 from grants.

(u) Equity Classifications

(i) District-Wide Statements

In the District-Wide statements there are three classes of net position:

Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisitions, construction and improvements of those assets.

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

Unrestricted - reports the balance of net position that does not meet the definition of the above two classifications.

(ii) Fund Statements

There are five classifications for fund balance as detailed below, however, in the fund financial statements there are four classifications presented:

Nonspendable - consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory and prepaids.

Restricted - This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The District has established the following restricted fund balances:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(ii) Fund Statements, Continued

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). 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 is accounted for in the General Fund.

Insurance Reserve

Insurance reserve (GML §6-m) is 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.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(ii) Fund Statements, Continued

Liability Reserve

Liability Reserve (ED §1950[4][cc]) is used to establish and maintain a program of reserves to cover liability claims incurred. Annual contributions are limited to 3% of the annual budget or \$15,000, whichever is greater. Funds cannot be used for another purpose without voter approval, except the Board may use reserved amounts not required to settle pending claims, to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required to settle all pending claims. This reserve is accounted in the General Fund.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits 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. The reserve is accounted for in the General Fund.

Repair Reserve

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. Voter approval is required to fund this reserve. 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. This reserve is accounted for in the General Fund.

Capital Reserve

Capital reserve (GML §6-c) is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities. This reserve is accounted for in the General Fund.

Reserve for Scholarships

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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(ii) Fund Statements, Continued

Reserve for Extraclassroom Activities

Amounts restricted for extraclassroom activities is used to account for net amount available for student clubs and organizations. This reserve is accounted for in the Miscellaneous Fund.

Committed - 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. the Board of Education. The District has no committed fund balances as of June 30, 2025.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances other than in the Capital Projects Fund are classified as assigned fund balance in the respective fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as assigned fund balance in the General Fund.

Unassigned - Includes all other net position that do not meet the definition of the above classifications and are deemed to be available for general use by the District. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, then it may be necessary to report negative unassigned fund balances in the respective fund.

(iii) Order of Use of Fund Balance

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

(v) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

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

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the statement of revenue, expenditures and changes in fund balance and the statements of activities fall into one of three broad categories.

Long-term Revenue and Expense Differences

Long-term revenue differences arise because governmental fund report revenue only when they are considered "available," whereas the statement of activities reports revenue 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 from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the statement of activities.

Long-term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(3) Cash

(a) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a specific policy for custodial credit risk; New York State statutes govern the District's investment policies, as discussed previously in these notes.

As of June 30, 2025, total bank balances of \$203,630,406 were fully collateralized.

(b) Restricted Cash

Restricted cash represents the following:

| <u>General Fund</u> | <u>Amount</u> |
|--|-----------------------|
| Reserve for workers' compensation | \$ 9,690,695 |
| Reserve for unemployment insurance | 231,568 |
| Reserve for retirement contribution - ERS | 17,211,486 |
| Subreserve for retirement contributions - TRS | 11,905,798 |
| Reserve for insurance | 3,000,000 |
| Reserve for liabilities | 7,900,000 |
| Reserve for employee benefit accrued liability | 11,480,000 |
| Reserve for repairs | 11,147,510 |
| Reserve for capital projects | <u>38,407,422</u> |
| | <u>110,974,479</u> |
| <u>Capital Projects Fund</u> | |
| Restricted for installment purchase debt | <u>8,841,875</u> |
| <u>Miscellaneous Fund</u> | |
| Reserve for scholarships | 79,736 |
| Reserve for extraclassroom activities | <u>313,032</u> |
| | <u>392,768</u> |
| | \$ <u>120,209,122</u> |

(4) Receivables

Major receivables recorded by the District at June 30, 2025 consisted of the following:

(a) State and Federal Sources - Represents amounts due from other units of government, such as New York State and other local governments. Amounts due to the District at June 30, 2025 are listed below:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(4) Receivables, Continued

| | |
|--|-----------------------------|
| General Fund - State sources receivable: | |
| State aid - Excess cost | \$ 5,529,359 |
| State aid - BOCES | 4,054,142 |
| State aid - Other | <u>167,774</u> \$ 9,751,275 |
| School Food Service Fund - State and Federal sources receivable - State and Federal grants related to food service program | 522,909 |
| Special Aid Fund - State and Federal sources receivable - State and Federal grants - various | 5,754,304 |
| Capital Projects Fund - State and Federal sources receivable - State and Federal grants - Smart Schools | <u>674,401</u> |
| Total | <u>\$ 16,702,889</u> |

(b) Accounts Receivables - Represents amounts due for out-of-district billings (in the General Fund) and other minor charges or refunds.

(5) Capital Assets

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

| | <u>Balance</u> <u>June 30, 2024</u> | <u>Additions</u> | <u>Adjustments/ Reclassifications</u> | <u>Balance</u> <u>June 30, 2025</u> |
|--|--|--------------------|---|--|
| Capital assets not being depreciated and amortized: | | | | |
| Land | \$ 35,132,218 | - | - | 35,132,218 |
| Construction in progress | <u>61,552,730</u> | <u>3,575,339</u> | <u>-</u> | <u>65,128,069</u> |
| Total capital assets not being depreciated and amortized | <u>96,684,948</u> | <u>3,575,339</u> | <u>-</u> | <u>100,260,287</u> |
| Capital assets being depreciated and amortized: | | | | |
| Buildings and improvements | 309,957,856 | 1,751,716 | (455,975) | 311,253,597 |
| Furniture, equipment and vehicles | 13,699,783 | 1,547,119 | (2,649,998) | 12,596,904 |
| Right-to-use lease assets | <u>4,093,342</u> | <u>2,442,097</u> | <u>(2,527,401)</u> | <u>4,008,038</u> |
| Total capital assets being depreciated and amortized | <u>327,750,981</u> | <u>5,740,932</u> | <u>(5,633,374)</u> | <u>327,858,539</u> |
| Less accumulated depreciation and amortization for: | | | | |
| Buildings and improvements | 182,412,968 | 7,001,507 | (454,738) | 188,959,737 |
| Furniture, equipment and vehicles | 8,994,965 | 975,142 | (2,356,950) | 7,613,157 |
| Right-to-use lease assets | <u>2,561,839</u> | <u>1,166,771</u> | <u>(2,527,401)</u> | <u>1,201,209</u> |
| Total accumulated depreciation and amortization | <u>193,969,772</u> | <u>9,143,420</u> | <u>(5,339,089)</u> | <u>197,774,103</u> |
| Total capital assets, being depreciated and amortized, net | <u>133,781,209</u> | <u>(3,402,488)</u> | <u>(294,285)</u> | <u>130,084,436</u> |
| Capital assets, net | <u>\$ 230,466,157</u> | <u>172,851</u> | <u>(294,285)</u> | <u>230,344,723</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(5) Capital Assets, Continued

Depreciation and amortization expense was charged to governmental functions as follows:

| | |
|---|---------------------|
| General support | \$ 1,562,286 |
| Instruction | 7,464,385 |
| Food service | <u>116,749</u> |
| Total depreciation and amortization expense | \$ <u>9,143,420</u> |

(6) Long-term Debt

Long-term liability balances and activity for the year ended June 30, 2025, are as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending</u> <u>Balance</u> | <u>Amounts</u> <u>Due Within</u> <u>One Year</u> |
|---|------------------------------------|------------------|-------------------|---------------------------------|--|
| Serial bonds | \$ 20,785,000 | - | 815,000 | 19,970,000 | 845,000 |
| Installment purchase debt | 2,576,296 | - | 207,497 | 2,368,799 | 212,465 |
| Capital lease obligations | 1,557,157 | 2,442,097 | 1,216,047 | 2,783,207 | 892,970 |
| Net pension liability - proportionate share - TRS | 6,683,450 | - | 6,683,450 | - | - |
| Net pension liability - proportionate share - ERS | 7,295,324 | 1,677,257 | - | 8,972,581 | - |
| Total OPEB liability | 230,618,110 | - | 7,152,608 | 223,465,502 | - |
| Compensated absences | 11,383,052 | 138,775 | - | 11,521,827 | - |
| Workers' compensation | <u>3,035,627</u> | <u>-</u> | <u>286,357</u> | <u>2,749,270</u> | <u>-</u> |
| Total long-term liabilities | <u>\$ 283,934,016</u> | <u>4,258,129</u> | <u>16,360,959</u> | <u>271,831,186</u> | <u>1,950,435</u> |

(a) Serial Bonds

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 provision to be made in the general fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(a) Serial Bonds, Continued

Serial Bonds Debt Maturity Schedule - The following is a statement of serial bonds with corresponding maturity schedules:

| <u>Serial Bonds</u> | <u>Issue Date</u> | <u>Original Amount</u> | <u>Final Maturity</u> | <u>Interest Rate (%)</u> | <u>Outstanding at 6/30/25</u> |
|---------------------|-------------------|------------------------|-----------------------|--------------------------|-------------------------------|
| 2021 Library | 11/2/21 | \$ 11,500,000 | 6/15/41 | 2.00-2.25% | 9,475,000 |
| 2022 Library | 3/16/23 | 11,000,000 | 6/15/45 | 4.00-5.00% | <u>10,495,000</u> |
| | | | | | <u>\$ 19,970,000</u> |

Interest on serial bonds for the year was composed of:

| | |
|--|-------------------|
| Interest paid | \$ 667,169 |
| Interest accrued in the current year | 94,416 |
| Interest accrued in the prior year | <u>(97,873)</u> |
| Total interest expense on serial bonds | <u>\$ 663,712</u> |

The following is a summary of the maturity of long-term indebtedness:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|------------------|-------------------|
| 2026 | \$ 845,000 | 738,678 | 1,583,678 |
| 2027 | 870,000 | 706,628 | 1,576,628 |
| 2028 | 895,000 | 673,528 | 1,568,528 |
| 2029 | 925,000 | 639,378 | 1,564,378 |
| 2030 | 955,000 | 603,928 | 1,558,928 |
| 2031-2035 | 5,245,000 | 248,691 | 5,493,691 |
| 2036-2040 | 6,080,000 | 1,476,484 | 7,556,484 |
| 2041-2045 | <u>4,155,000</u> | <u>456,519</u> | <u>4,611,519</u> |
| Total | <u>\$ 19,970,000</u> | <u>5,543,834</u> | <u>25,513,834</u> |

On November 2, 2021, the District issued \$11,500,000 in serial bonds for a facilities expansion project for the Mastics-Moriches-Shirley Community Library (the Library). The net proceeds of the bonds were turned over to the Library. The District is required to issue the bonds in its name and furnish the proceeds to the Library in accordance with Section 260 of Education Law. The Library is required to include in its budget a sufficient amount to reimburse the District for all principal and interest payments on the bonds. The bonds earn interest at 2.00% - 2.25%, with principal payments due annually on June 15th and interest payments due semi-annually on June 15th and December 15th until maturity on June 15, 2041.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(a) Serial Bonds, Continued

On March 16, 2023, the District issued \$11,000,000 in serial bonds for a facilities expansion project for the Mastics-Moriches-Shirley Community Library (the Library). The net proceeds of the bonds were turned over to the Library. The District is required to issue the bonds in its name and furnish the proceeds to the Library in accordance with Section 260 of Education Law. The Library is required to include in its budget a sufficient amount to reimburse the District for all principal and interest payments on the bonds. The bonds earn interest at 4.00% - 5.00%, with principal payments due annually on June 15th and interest payments due semi-annually on June 15th and December 15th until maturity on June 15, 2045.

In the event that the District were to default on bond principal or interest payments, a court has the power, in proper and appropriate proceedings brought by the bond owners, to render judgment against the District. A court has the power to order payment of such bonds or notes from funds available or to order the District to take all lawful action to obtain the funds, including the raising of the funds in the next annual tax levy. The bond owners may also file with the New York State Comptroller a verified statement alleging default in the payment of principal or interest. The New York State Comptroller will have a duty to investigate the circumstances of the alleged default and prepare determinations from their office. 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 to the District and apply the amount thereof so withheld to the payment of the defaulted principal and interest.

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

(b) Installment Purchase Debt

The District entered into a lease-purchase agreement (energy performance contract) (the contract) June 15, 2020 in the amount of \$24,800,000 to provide financing for the acquisition and installation of various energy performance equipment. Principal and interest are due semi- beginning June 1, 2021 with final payment due June 1, 2035. The amended contract carries an interest rate of 1.19%. Proceeds of the contract were deposited with an escrow agent in the District's name. Unspent amounts, including interest were \$8,841,875 at June 30, 2025 and have been classified as restricted in the balance sheet - governmental funds and as a component of net investments in capital assets on the statement of net position.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(b) Installment Purchase Debt, Continued

Future minimum payments are as follows:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|-----------------|------------------|
| 2026 | \$ 212,465 | 55,120 | 267,585 |
| 2027 | 217,552 | 50,034 | 267,586 |
| 2028 | 222,760 | 44,825 | 267,585 |
| 2029 | 228,094 | 39,491 | 267,585 |
| 2030 | 233,555 | 34,030 | 267,585 |
| 2031-2035 | <u>1,254,373</u> | <u>83,553</u> | <u>1,337,926</u> |
| | <u>\$ 2,368,799</u> | <u>307,053</u> | <u>2,675,852</u> |

Interest on installment purchase debt for the year was:

| | |
|---|------------------|
| Interest paid | \$ 60,088 |
| Interest accrued in the current year | 4,467 |
| Interest accrued in the prior year | <u>(9,522)</u> |
| Total interest expense on installment purchase debt | \$ <u>55,033</u> |

In the event of default, the lessor may (a) declare all payments immediately due and payable from properly appropriated and/or legally available funds; (b) repossess any or all of the equipment; (c) direct the escrow agent to pay all amounts remaining in the escrow account to pay certain costs/expenses with residual amounts paid to the District; or (d) take any other remedy available at law or in equity. Each of the forgoing remedies is cumulative and may be enforced separately or concurrently.

(c) Leases

The District leases equipment under various lease agreements that expire May 2027. The gross amount of the equipment under the leases as of June 20, 2025 was \$4,008,038. Accumulated amortization on the equipment amounted to \$1,201,209 at June 30, 2025. Amortization of this leased equipment was charged to governmental functions on the statement of revenue, expenses and changes in net position.

The principal and interest payments on the leases for the year ended March 31, 2025 totaled \$1,216,047 and \$76,457, respectively.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(c) Leases, Continued

Future minimum payments under the finance agreement are as follows:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|-----------------|------------------|
| 2026 | \$ 892,970 | 119,251 | 1,012,221 |
| 2027 | 798,141 | 80,405 | 878,546 |
| 2028 | 622,587 | 45,256 | 667,843 |
| 2029 | 387,044 | 15,596 | 402,640 |
| 2030 | 82,465 | 2,041 | 84,506 |
| | <u>\$ 2,783,207</u> | <u>262,549</u> | <u>3,045,756</u> |

(d) Compensated Absences

Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

(7) Pension Obligations

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS is governed by a 10 member Board of Trustees. 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 TRS, the election is irrevocable. The 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 TRS may be obtained by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS's website at www.nystrs.org.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. Benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale.

For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

At June 30, 2025, the District reported the following asset/liability for its proportionate share of TRS and ERS. The net pension asset/liability were measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension liabilities used to calculate the respective net pension asset/liability was determined by an actuarial valuation. The District's proportion of the respective net pension asset/liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

| | <u>ERS</u> | <u>TRS</u> |
|---|----------------|------------|
| Actuarial valuation date | 4/01/2024 | 6/30/2023 |
| Measurement date | 3/31/2025 | 6/30/2024 |
| Net pension asset (liability) | \$ (8,972,581) | 17,541,163 |
| District's proportion of the Plan's net pension liability | 0.0523313% | 0.587918% |
| Change in proportion since the prior measurement date | 0.0027843 | 0.003488 |

For the year ended June 30, 2025, the District recognized pension expense of \$2,368,540 for ERS and \$8,934,876 for TRS in the statement of activities.

At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | | <u>Deferred Inflows of Resources</u> | |
|---|---------------------------------------|-------------------|--------------------------------------|-------------------|
| | <u>ERS</u> | <u>TRS</u> | <u>ERS</u> | <u>TRS</u> |
| Differences between expected and actual experience | \$ 2,227,055 | 18,888,611 | 105,052 | - |
| Changes of assumptions | 376,292 | 10,493,170 | - | 1,765,049 |
| Net difference between projected and actual earnings on pension plan investments | 703,964 | - | - | 19,489,726 |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 1,294,354 | 80,889 | 43,812 | 2,497,025 |
| District's contributions subsequent to the measurement date | <u>782,207</u> | <u>11,812,761</u> | <u>-</u> | <u>-</u> |
| Total | \$ <u>5,383,872</u> | <u>41,275,431</u> | <u>148,864</u> | <u>23,751,800</u> |

District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liabilities in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

| <u>Year ending</u> | <u>ERS</u> | <u>TRS</u> |
|--------------------|---------------------|------------------|
| 2026 | \$ 1,949,833 | (9,690,787) |
| 2027 | 2,694,672 | 20,904,545 |
| 2028 | (427,682) | (4,015,725) |
| 2029 | 235,978 | (4,392,754) |
| 2030 | - | 2,038,789 |
| Thereafter | <u>-</u> | <u>866,802</u> |
| | \$ <u>4,452,801</u> | <u>5,710,870</u> |

(c) 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:

| | <u>ERS</u> | <u>TRS</u> |
|--|----------------|---------------|
| Measurement date | March 31, 2025 | June 30, 2024 |
| Actuarial valuation date | April 1, 2024 | June 30, 2023 |
| Investment rate of return (net of investment expense, including inflation) | 5.90% | 6.95% |
| Salary scale | 4.30% | 1.95% - 5.18% |
| Cost of living adjustments | 1.50% | 1.30% |
| Inflation rate | 2.90% | 2.40% |

For ERS, demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. For TRS, annuitant and active 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. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. TRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(c) Actuarial Assumptions, Continued

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selections of Economic Assumptions for Measuring Pension Obligations and generally accepted accounting principles. 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.

The long-term expected real rates of return are presented by asset allocation classification. 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 in the following table:

| <u>Asset class</u> | <u>ERS</u> | | <u>TRS</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 | 25% | 3.54% | 33% | 6.60% |
| International equity | 14% | 6.57% | 15% | 7.40% |
| Real estate equity | - | - | 11% | 6.30% |
| Global equity | - | - | 4% | 6.90% |
| Domestic fixed income | - | - | 16% | 2.60% |
| Global bonds | - | - | 2% | 2.50% |
| High-yield bonds | - | - | 1% | 4.80% |
| Real estate debt | - | - | 6% | 3.90% |
| Real estate | 12% | 4.95% | - | - |
| Private equity | 15% | 7.25% | 9% | 10.00% |
| Private debt | - | - | 2% | 5.90% |
| Real assets | 4% | 5.55% | - | - |
| Fixed income | 22% | 2.00% | - | - |
| Opportunistic/ARS portfolio | 3% | 5.25% | - | - |
| Credit | 4% | 5.40% | - | - |
| Cash and equivalents | <u>1%</u> | 0.25% | <u>1%</u> | 0.50% |
| | <u>100%</u> | | <u>100%</u> | |

* For ERS, the real rates of return are net of a long-term inflation assumption of 2.9%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(d) Discount Rate

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

(e) Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate

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

| ERS | 1% Decrease <u>(4.90%)</u> | Current Assumption <u>(5.90%)</u> | 1% Increase <u>(6.90%)</u> |
|--|----------------------------------|---|----------------------------------|
| Employer's proportionate share of the net pension asset (liability) | \$ <u>(25,967,779)</u> | (8,972,581) | <u>5,218,420</u> |
| TRS | 1% Decrease <u>(5.95%)</u> | Current Assumption <u>(6.95%)</u> | 1% Increase <u>(7.95%)</u> |
| Employer's proportionate share of the net pension asset (liability) | \$ <u>(81,023,642)</u> | <u>17,541,163</u> | <u>100,436,808</u> |

(f) Pension Plan Fiduciary Net Position

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

| | (Dollars in Millions) | |
|---|-----------------------|----------------|
| | <u>ERS</u> | <u>TRS</u> |
| Measurement date | March 31, 2025 | June 30, 2024 |
| Employers' total pension liability | \$ (247,600) | (142,838) |
| Plan net position | <u>230,454</u> | <u>145,821</u> |
| Employers' net pension asset (liability) | \$ <u>(17,146)</u> | <u>2,983</u> |
| Ratio of plan net position to the employers' total pension liability | 93.08% | 102.10% |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(g) Payables to the Pension Plan

ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$782,207. This amount has been recorded as an expenditure in the governmental fund statements and a deferred outflow of resources in the statement of net position.

TRS employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued employer retirement contributions and employee retirement contributions as of June 30, 2025 amounted to \$11,812,761 and \$1,831,395, respectively. The accrued employer contributions have been recorded as an expenditure in the governmental fund statements and a deferred outflow of resources in the statement of net position.

(8) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

The District provides medical insurance and other fringe benefits to its employees and their dependents. For medical and prescription drug insurance, all active employees and retirees are covered by a self-insured plan. The District also provides vision and dental insurance to certain active and retired employee groups. Medical and prescription drug benefits are offered to retirees on an District-subsidized basis. Upon attaining age 65, or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

A surviving spouse may continue to be covered, but at his/her own expense.

The District reimburses any Medicare Part B premiums to retirees, spouses or surviving spouses.

The District recognizes the cost of providing health insurance annually as expenditures in the funds as payments are made. For the year ended June 30, 2025, the District recognized approximately \$8.2 million in benefit payments for retirees currently receiving these benefits and all active employees who will be eligible in the future to receive these benefits.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(8) Other Postemployment Benefits (OPEB), Continued

(b) Employees covered by benefit terms

At June 30, 2025, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 462 |
| Active employees | <u>1,298</u> |
| | <u>1,760</u> |

(c) Total OPEB Liability

The District's total OPEB liability of \$223,465,502 was measured as of June 30, 2025 and was determined by an actuarial valuation as June 30, 2024 with liabilities projected to June 30, 2025 on a no gain/loss basis.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 2.70% |
| Payroll growth | ERS - 3.30% - 8.80% TRS - 2.20% - 12.30% |
| Discount rate | 4.81% |
| Healthcare cost trend rates | 6.50% for 2025 decreasing to an ultimate rate of 4.14% by 2075 |

The discount rate was based on the S&P Municipal Bond 20-year High Grade Index. The previous measurement as of June 30, 2023 used a discount rate of 4.21%.

The mortality table used in the June 30, 2024 valuation was the Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2021.

(e) Changes in the Total OPEB Liability

Changes for the year:

| | |
|---|-----------------------|
| Service cost | \$ 11,301,981 |
| Interest on total OPEB liability and service cost | 10,013,664 |
| Difference between expected and actual experience | 1,195,460 |
| Changes of assumptions or other inputs | (21,447,317) |
| Benefit payments | <u>(8,216,396)</u> |
| Net change in total OPEB liability | (7,152,608) |
| Total OPEB liability as of June 30, 2024 | <u>230,618,110</u> |
| Total OPEB liability as of June 30, 2025 | \$ <u>223,465,502</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(8) Other Postemployment Benefits (OPEB), Continued

(f) 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% lower (3.81%) or 1% higher (5.81%) than the current discount rate:

| | 1% Decrease (3.81%) | Current Discount Rate (4.81%) | 1% Increase (5.81%) |
|----------------------|---------------------------|--|---------------------------|
| Total OPEB liability | \$ <u>193,345,675</u> | <u>223,465,502</u> | <u>260,895,093</u> |

(g) 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 total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|-----------------------|--------------------------|--------------------|
| Total OPEB liability | \$ <u>184,036,074</u> | <u>223,465,502</u> | <u>275,333,180</u> |

(h) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$23,326,874. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 79,290,393 | 26,679,998 |
| Changes in assumptions or other inputs | <u>48,704,106</u> | <u>99,142,986</u> |
| | \$ <u>127,994,499</u> | <u>125,822,984</u> |

Amounts reported as deferred inflows of resources related to other postemployment benefits will be recognized as follows:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(8) Other Postemployment Benefits (OPEB), Continued

(h) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

| <u>Year ending</u> | |
|--------------------|---------------------|
| 2026 | \$ 2,011,229 |
| 2027 | 2,011,229 |
| 2028 | 2,011,229 |
| 2029 | 2,338,663 |
| 2030 | (29,722) |
| Thereafter | <u>(6,171,113)</u> |
| Total | \$ <u>2,171,515</u> |

(9) Risk Management

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

(10) Certain Risk Disclosures

Concentration - Workforce Covered by Collective Bargaining Agreements

The District's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is a summary of the District's significant collective bargaining agreements:

| <u>Collective bargaining units</u> | <u>Expiration date</u> |
|---------------------------------------|------------------------|
| District Office Staff Association | June 30, 2026 |
| Custodial Maintenance and Ground Unit | June 30, 2026 |
| Nurses Unit Contract | June 30, 2026 |
| Office Staff Unit Contract Clerical | June 30, 2026 |
| Security Unit | June 30, 2026 |
| Teachers Unit | June 30, 2026 |
| Para TA Unit | June 30, 2025 |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Interfund Transactions

| <u>Fund</u> | <u>Interfund</u> | | <u>Interfund</u> | |
|---------------------|----------------------|-------------------|---------------------|----------------------|
| | <u>Receivable</u> | <u>Payable</u> | <u>Transfers in</u> | <u>Transfers out</u> |
| General | \$ 15,897,127 | 10,852,288 | - | 11,441,574 |
| School Food Service | - | 951,916 | - | - |
| Special Aid | 1,633,593 | 7,963,573 | 636,574 | - |
| Capital Projects | <u>9,268,107</u> | <u>7,031,050</u> | <u>10,805,000</u> | <u>-</u> |
| Total activities | <u>\$ 26,798,827</u> | <u>26,798,827</u> | <u>11,441,574</u> | <u>11,441,574</u> |

- The District typically transfers from the General Fund to the Special Aid Fund, as a required local match for State grants.
- All interfund payables are expected to be repaid within one year.
- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

(12) Fund Balance

The following is the disaggregation of the fund balance that is reported in summary on the governmental funds balance sheet:

| | <u>General Fund</u> | <u>School Food Service Fund</u> | <u>Capital Projects Fund</u> | <u>Miscellaneous Fund</u> | <u>Total</u> |
|------------------------------------|-------------------------|---|--------------------------------------|-------------------------------|--------------------|
| Nonspendable - inventory | \$ - | 11,690 | - | - | 11,690 |
| Restricted: | | | | | |
| Workers' compensation | 9,690,695 | - | - | - | 9,690,695 |
| Unemployment insurance | 231,568 | - | - | - | 231,568 |
| Retirement contribution - ERS | 17,211,486 | - | - | - | 17,211,486 |
| Retirement contribution - TRS | 11,905,798 | - | - | - | 11,905,798 |
| Insurance | 3,000,000 | - | - | - | 3,000,000 |
| Liabilities | 7,900,000 | - | - | - | 7,900,000 |
| Employee benefit accrued liability | 11,480,000 | - | - | - | 11,480,000 |
| Capital repair | 11,147,510 | - | - | - | 11,147,510 |
| Capital projects | 38,407,422 | - | - | - | 38,407,422 |
| Installment purchase debt | - | - | 8,841,875 | - | 8,841,875 |
| Scholarships | - | - | - | 108,374 | 108,374 |
| Extraclassroom activities | - | - | - | 284,394 | 284,394 |
| Total restricted | <u>110,974,479</u> | <u>-</u> | <u>8,841,875</u> | <u>392,768</u> | <u>120,209,122</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(12) Fund Balance, Continued

| | General <u>Fund</u> | School Food Service <u>Fund</u> | Capital Projects <u>Fund</u> | Miscellaneous <u>Fund</u> | <u>Total</u> |
|--------------------|------------------------|--|------------------------------------|------------------------------|--------------------|
| Assigned: | | | | | |
| General support | \$ 2,145,108 | - | - | - | 2,145,108 |
| Instruction | 3,127,056 | - | - | - | 3,127,056 |
| Transportation | 129,728 | - | - | - | 129,728 |
| Employee benefits | 455,232 | - | - | - | 455,232 |
| Appropriated | 4,000,000 | - | - | - | 4,000,000 |
| School lunch | - | 5,031,051 | - | - | 5,031,051 |
| Capital projects | - | - | 11,862,769 | - | 11,862,769 |
| Total assigned | <u>9,857,124</u> | <u>5,031,051</u> | <u>11,862,769</u> | - | <u>26,750,944</u> |
| Unassigned | <u>13,039,189</u> | - | - | - | <u>13,039,189</u> |
| Total fund balance | <u>\$ 133,870,792</u> | <u>5,042,741</u> | <u>20,704,644</u> | <u>392,768</u> | <u>160,010,945</u> |

The following is a summary of the change in reserve funds during the year ended June 30, 2025:

| | Balance at <u>June 30, 2024</u> | <u>Additions</u> | <u>Deletions</u> | Balance at <u>June 30, 2025</u> |
|------------------------------------|------------------------------------|-------------------|------------------|------------------------------------|
| General Fund: | | | | |
| Workers' compensation | \$ 9,506,274 | 184,421 | - | 9,690,695 |
| Unemployment insurance | 227,161 | 4,407 | - | 231,568 |
| Retirement contribution - ERS | 15,700,000 | 1,511,486 | - | 17,211,486 |
| Retirement contribution - TRS | 11,369,502 | 536,296 | - | 11,905,798 |
| Insurance | 3,000,000 | - | - | 3,000,000 |
| Liabilities | 7,900,000 | - | - | 7,900,000 |
| Employee benefit accrued liability | 11,265,125 | 214,875 | - | 11,480,000 |
| Capital repair | 7,030,518 | 5,116,992 | 1,000,000 | 11,147,510 |
| Capital projects | <u>21,000,000</u> | <u>17,407,422</u> | - | <u>38,407,422</u> |
| Total General Fund | <u>\$ 86,998,580</u> | <u>24,975,899</u> | <u>1,000,000</u> | <u>110,974,479</u> |

(13) Commitments and Contingencies

(a) Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(13) Commitments and Contingencies

(b) Litigation

The District is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above-noted proceedings cannot be predicted, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District.

(14) Subsequent Events

Management has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Revenue, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 Year ended June 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual (Budgetary Basis)</u> | <u>Final Budget Variance with Budgetary Actual</u> |
|---|----------------------------|-------------------------|---|--|
| Revenue: | | | | |
| Local sources: | | | | |
| Real property taxes | \$ 81,185,000 | 74,502,882 | 74,503,126 | 244 |
| STAR and other real property tax items | 21,569 | 6,703,687 | 6,768,472 | 64,785 |
| Charges for services | 30,000 | 30,000 | 142,184 | 112,184 |
| Use of money and property | 1,091,075 | 1,091,075 | 5,339,875 | 4,248,800 |
| Sale of property and compensation for loss | 5,000 | 5,000 | 9,753 | 4,753 |
| Miscellaneous | 3,125,000 | 3,125,000 | 3,885,683 | 760,683 |
| State aid | 220,585,140 | 220,585,140 | 225,933,838 | 5,348,698 |
| Federal aid | <u>817,905</u> | <u>817,905</u> | <u>1,902,967</u> | <u>1,085,062</u> |
| Total revenue | <u>306,860,689</u> | <u>306,860,689</u> | <u>318,485,898</u> | <u>11,625,209</u> |
| Other financing sources - proceeds of leases | <u>-</u> | <u>-</u> | <u>2,442,097</u> | <u>2,442,097</u> |
| Total revenue and other sources | 306,860,689 | 306,860,689 | <u>320,927,995</u> | <u>14,067,306</u> |
| Appropriated fund balance | 4,000,000 | 5,000,000 | | |
| Prior year encumbrances | <u>5,830,620</u> | <u>5,830,620</u> | | |
| Total revenue and appropriated fund balance | <u>\$ 316,691,309</u> | <u>317,691,309</u> | | |

(Continued)

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund, Continued

| | <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 | \$ 125,300 | 115,999 | 95,903 | - | 20,096 |
| Central administration | 1,424,500 | 1,374,766 | 1,344,991 | - | 29,775 |
| Finance | 1,632,795 | 1,613,728 | 1,482,600 | 27,000 | 104,128 |
| Staff | 2,496,384 | 2,392,407 | 2,205,645 | 14,312 | 172,450 |
| Central services | 28,334,407 | 26,560,764 | 22,037,907 | 2,103,796 | 2,419,061 |
| Special items | 2,894,000 | 2,784,989 | 2,737,678 | - | 47,311 |
| Instruction: | | | | | |
| Instruction, adm. and imp. | 10,290,132 | 10,205,511 | 12,263,642 | 27,425 | (2,085,556) |
| Teaching - regular school | 85,782,323 | 82,639,060 | 79,658,747 | 290,505 | 2,689,808 |
| Programs for children with special needs | 55,511,120 | 57,486,548 | 54,427,673 | 1,668,512 | 1,390,363 |
| Teaching - special schools | 220,000 | 82,630 | 36,149 | - | 46,481 |
| Instructional media | 6,463,288 | 6,384,818 | 2,838,007 | 1,099,452 | 2,447,359 |
| Pupil services | 14,667,911 | 14,582,059 | 13,323,908 | 41,162 | 1,216,989 |
| Pupil transportation | 28,074,788 | 27,984,545 | 25,460,392 | 129,728 | 2,394,425 |
| Community services | 38,500 | 38,500 | - | - | 38,500 |
| Employee benefits | 70,255,861 | 70,148,411 | 63,620,448 | 455,232 | 6,072,731 |
| Debt service: | | | | | |
| Debt service - principal | 1,095,000 | 1,095,000 | 2,238,544 | - | (1,143,544) |
| Debt service - interest | 735,000 | 735,000 | 803,714 | - | (68,714) |
| Total expenditures | 310,041,309 | 306,224,735 | 284,575,948 | 5,857,124 | 15,791,663 |
| Other financing uses - transfers to other funds | 6,650,000 | 11,466,574 | 11,441,574 | - | 25,000 |
| Total expenditures and other uses | <u>\$ 316,691,309</u> | <u>317,691,309</u> | <u>296,017,522</u> | <u>5,857,124</u> | <u>15,816,663</u> |
| Net change in fund balances | | | 24,910,473 | | |
| Fund balance at beginning of year | | | <u>108,960,319</u> | | |
| Fund balance at end of year | | | <u>\$ 133,870,792</u> | | |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Asset/Liability
 Year ended June 30, 2025

| <u>TRS</u> | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|----------------|-------------|--------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|
| The District's proportion of the net pension asset (liability) | 0.587918% | 0.584430% | 0.548754% | 0.527971% | 0.533473% | 0.521522% | 0.513344% | 0.507966% | 0.514595% | 0.511340% |
| The District's proportionate share of the net pension asset (liability) | \$ 17,541,163 | (6,683,540) | (10,530,004) | 91,492,280 | (14,741,311) | 13,549,166 | 9,282,622 | 3,861,273 | (5,511,533) | 53,111,952 |
| The District's covered payroll | \$ 116,842,349 | 112,255,102 | 107,939,077 | 97,190,898 | 89,820,061 | 90,520,570 | 87,050,432 | 83,618,061 | 85,723,985 | 84,013,258 |
| The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll | 15.01% | 5.95% | 9.76% | 94.14% | 16.41% | 14.97% | 10.66% | 4.62% | 6.43% | 63.22% |
| Plan fiduciary net position as a percentage of the total pension liability | 102.10% | 93.88% | 98.60% | 113.20% | 97.80% | 102.20% | 101.53% | 100.66% | 99.01% | 110.46% |
| | | | | | | | | | | |
| <u>ERS</u> | | | | | | | | | | |
| The District's proportion of the net pension asset (liability) | 0.052331% | 0.049547% | 0.0439200% | 0.0418429% | 0.0441430% | 0.0461432% | 0.0464505% | 0.0464849% | 0.4845180% | 0.0045014% |
| The District's proportionate share of the net pension asset (liability) | \$ (8,972,581) | (7,295,324) | (9,418,226) | 3,420,481 | (43,955) | (12,218,976) | (3,291,161) | (1,500,274) | (4,552,636) | (7,224,935) |
| The District's covered payroll | \$ 20,243,012 | 18,047,499 | 15,296,523 | 14,336,217 | 14,628,963 | 14,520,169 | 14,455,636 | 13,410,943 | 13,614,952 | 11,940,136 |
| The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll | 44.32% | 40.42% | 61.57% | 23.86% | 0.30% | 84.15% | 22.77% | 11.19% | 33.44% | 60.51% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.08% | 99.20% | 90.78% | 103.65% | 99.50% | 86.39% | 96.27% | 98.24% | 94.70% | 90.68% |

* The amounts presented for each fiscal year were determined as of each System's measurement date.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Pension Contributions
Year ended June 30, 2025

| <u>TRS</u> | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$ 11,812,761 | 10,956,098 | 11,106,931 | 9,524,708 | 8,538,520 | 8,020,123 | 9,244,766 | 8,855,856 | 10,046,851 | 11,140,158 |
| Contribution in relation to the contractually required contribution | <u>11,812,761</u> | <u>10,956,098</u> | <u>11,106,931</u> | <u>9,524,708</u> | <u>8,538,520</u> | <u>8,020,123</u> | <u>9,244,766</u> | <u>8,855,856</u> | <u>10,046,851</u> | <u>11,140,158</u> |
| Contribution deficiency (excess) | \$ - | - | - | - | - | - | - | - | - | - |
| The District's covered payroll | <u>\$ 116,842,349</u> | <u>112,255,102</u> | <u>107,939,077</u> | <u>97,190,898</u> | <u>89,820,061</u> | <u>90,520,570</u> | <u>87,050,432</u> | <u>83,618,061</u> | <u>85,723,985</u> | <u>84,013,258</u> |
| Contribution as a percentage of covered employee payroll | 10.11% | 9.76% | 10.29% | 9.80% | 9.51% | 8.86% | 10.62% | 10.59% | 11.72% | 13.26% |
| | | | | | | | | | | |
| <u>ERS</u> | | | | | | | | | | |
| Contractually required contribution | \$ 2,884,188 | 2,233,785 | 1,685,337 | 2,200,389 | 2,026,618 | 1,996,110 | 2,033,720 | 1,979,316 | 2,003,332 | 1,958,435 |
| Contribution in relation to the contractually required contribution | <u>2,884,188</u> | <u>2,233,785</u> | <u>1,685,337</u> | <u>2,200,389</u> | <u>2,026,618</u> | <u>1,996,110</u> | <u>2,033,720</u> | <u>1,979,316</u> | <u>2,003,332</u> | <u>1,958,435</u> |
| Contribution deficiency (excess) | \$ - | - | - | - | - | - | - | - | - | - |
| The District's covered payroll | <u>\$ 20,243,012</u> | <u>18,047,499</u> | <u>15,295,523</u> | <u>14,336,217</u> | <u>14,628,963</u> | <u>14,520,169</u> | <u>14,455,636</u> | <u>13,410,943</u> | <u>13,614,952</u> | <u>11,940,136</u> |
| Contribution as a percentage of covered employee payroll | 14.25% | 12.38% | 11.02% | 15.35% | 13.85% | 13.75% | 14.07% | 14.76% | 14.71% | 16.40% |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2025

| | <u>2025</u> | <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 | \$ 11,301,981 | 13,353,159 | 15,385,724 | 16,504,998 | 15,628,538 | 6,720,671 | 5,821,422 | 6,105,403 |
| Interest on total OPEB liability and service cost | 10,013,664 | 12,262,447 | 11,095,412 | 5,973,805 | 5,722,383 | 7,580,237 | 7,508,678 | 6,900,705 |
| Change of benefit terms | - | (95,339,842) | - | (160,380) | - | 1,321,204 | - | - |
| Difference between expected and actual experience | 1,195,460 | 12,578,401 | (175,163) | 113,586,262 | (142,345) | (66,215,537) | - | - |
| Changes of assumptions or other inputs | (21,447,317) | 8,042,523 | (33,016,177) | (89,770,129) | 2,666,499 | 90,313,194 | 12,149,455 | (9,255,857) |
| Benefit payments | <u>(8,216,396)</u> | <u>(7,597,068)</u> | <u>(7,961,356)</u> | <u>(8,364,449)</u> | <u>(5,883,736)</u> | <u>(5,416,598)</u> | <u>(3,477,783)</u> | <u>(6,583,716)</u> |
| Net change in total OPEB liability | (7,152,608) | (56,700,380) | (14,671,560) | 37,770,107 | 17,991,339 | 34,303,171 | 22,001,772 | (2,833,465) |
| Total OPEB liability - beginning | <u>230,618,110</u> | <u>287,318,490</u> | <u>301,990,050</u> | <u>264,219,943</u> | <u>246,228,604</u> | <u>211,925,433</u> | <u>189,923,661</u> | <u>192,757,126</u> |
| Total OPEB liability - ending | <u>\$ 223,465,502</u> | <u>230,618,110</u> | <u>287,318,490</u> | <u>301,990,050</u> | <u>264,219,943</u> | <u>246,228,604</u> | <u>211,925,433</u> | <u>189,923,661</u> |
| Covered payroll | \$ 118,778,305 | 110,550,764 | 104,030,797 | 96,609,307 | 97,913,567 | 94,283,355 | 106,004,689 | 101,470,786 |
| Total OPEB liability as a percentage of covered payroll | 188.14% | 208.61% | 276.19% | 312.59% | 269.85% | 261.16% | 199.92% | 187.17% |

Notes to schedule:

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

| <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 4.81% | 4.21% | 4.13% | 3.54% | 2.16% | 2.21% | 3.51% | 3.87% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

OTHER SUPPLEMENTARY INFORMATION

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Schedule of Change from Adopted Budget to Final Budget and
the Real Property Tax Limit Calculation
Year ended June 30, 2025

Change from adopted budget to final budget:

| | |
|-------------------------------|------------------------------|
| Adopted budget | \$ 310,860,689 |
| Add prior year's encumbrances | <u>5,830,620</u> |
| Original budget | 316,691,309 |
| Additional revenues | <u>1,000,000</u> |
| Final budget | <u><u>\$ 317,691,309</u></u> |

Section 1318 of Real Property Tax Law Limit Calculation

| | |
|---|--------------------------|
| 2025-2026 voter approved expenditure budget | \$ <u>325,979,724</u> |
| Maximum allowed 4% of 2026 budget | <u><u>13,039,189</u></u> |

General fund fund balance subject to Section 1318 of
Real Property Tax Law*:

| | |
|---|-----------------------------|
| Unrestricted fund balance: | |
| Assigned fund balance | \$ 4,000,000 |
| Encumbrances | 5,857,124 |
| Unassigned fund balance | <u>13,039,189</u> |
| Total unrestricted fund balance | 22,896,313 |
| Less: | |
| Appropriated fund balance | 4,000,000 |
| Encumbrances | <u>5,857,124</u> |
| Total adjustments | <u>9,857,124</u> |
| General fund fund balance subject to Section 1318 of Real Property Tax Law | <u><u>\$ 13,039,189</u></u> |
| Actual percentage | 4.00% |

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2025

| Project title | Expenditures and Obligations to Date | | | | | Unexpended Balance | Methods of Financing | | | | Fund Balance 6/30/2025 |
|--------------------------|--------------------------------------|--------------------------|--------------------|------------------|--------------------|-----------------------|----------------------------|------------------|-------------------|--------------------|------------------------------|
| | Original Appropriation | Revised Appropriation | Prior Years | Current Year | Total | | Proceeds of Obligations | State Aid | Local Sources | Total | |
| Excel Projects | \$ 56,905,000 | 56,905,000 | 48,357,392 | - | 48,357,392 | 8,547,608 | 30,000,000 | 6,956,885 | 12,618,968 | 49,575,853 | 1,218,461 |
| 2017 Capital Projects | 39,470,000 | 39,470,000 | 35,719,026 | - | 35,719,026 | 3,750,974 | - | - | 40,400,000 | 40,400,000 | 4,680,974 |
| Metal detectors | 598,579 | 598,579 | - | 598,579 | 598,579 | - | - | - | - | - | (598,579) |
| WFMS - ROOF | 6,000,000 | 6,000,000 | - | 159,425 | 159,425 | 5,840,575 | - | - | 6,000,000 | 6,000,000 | 5,840,575 |
| Door Project | 7,760,000 | 776,000 | 144,624 | 14,566 | 159,190 | 616,810 | - | - | 4,005,000 | 4,005,000 | 3,845,810 |
| EPC Project | 24,800,000 | 24,800,000 | 17,986,800 | 21,504 | 18,008,304 | 6,791,696 | 24,800,000 | - | - | 24,800,000 | 6,791,696 |
| Lighting Project | 804,555 | 804,555 | 753,887 | 87,008 | 840,895 | (36,340) | - | - | 804,555 | 804,555 | (36,340) |
| Smart Schools | 10,398,033 | 10,398,033 | 3,613,854 | 2,074,072 | 5,687,926 | 4,710,107 | - | 674,401 | - | 674,401 | (5,013,525) |
| Repair Reserve #1 (2016) | 5,000,000 | 5,000,000 | 4,955,772 | - | 4,955,772 | 44,228 | - | - | 5,000,000 | 5,000,000 | 44,228 |
| Repair Reserve #2 (2022) | 5,000,000 | 5,000,000 | 1,262,674 | 646,000 | 1,908,674 | 3,091,326 | - | - | 4,809,070 | 4,809,070 | 2,900,396 |
| STEM Labs | - | 2,950,000 | 1,944,866 | (25,814) | 1,919,052 | 1,030,948 | - | - | 2,950,000 | 2,950,000 | 1,030,948 |
| | <u>\$ 156,736,167</u> | <u>152,702,167</u> | <u>114,738,895</u> | <u>3,575,340</u> | <u>118,314,235</u> | <u>34,387,932</u> | <u>54,800,000</u> | <u>7,631,286</u> | <u>76,587,593</u> | <u>139,018,879</u> | <u>20,704,644</u> |

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2025

| | | |
|--|--------------------|-----------------------|
| Capital assets, net | | \$ 230,344,723 |
| Add - unspent proceeds - installment purchase debt | | 8,841,875 |
| Deduct: | | |
| Capital projects fund related accounts payable | \$ (1,401,749) | |
| Installment purchase debt | (2,368,799) | |
| Capital lease obligations | <u>(2,783,207)</u> | <u>(6,553,755)</u> |
| Net investment in capital assets | | <u>\$ 232,632,843</u> |

**INDEPENDENT AUDITORS' 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**

The Board of Education
William Floyd 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 aggregate remaining fund information of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2025, and the related notes to financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2025.

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 30, 2025

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Fund and
Independent Auditors' Report

June 30, 2025

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
Extraclassroom Activity Fund

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report | 1 - 2 |
| Statement of Cash Receipts, Cash Disbursements and Cash Balances | 3 - 5 |
| Note to Financial Statement | 6 |

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INDEPENDENT AUDITORS' REPORT

The Board of Education
William Floyd Union Free School District:

Opinion

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the William Floyd Union Free School District (the District) as of and for the year ended June 30, 2025, and the related note to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the District, as of and for the year ended June 30, 2025, in accordance with the cash basis of accounting in note 1(b).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement 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 opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to note 1(b) of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in note 1(b); this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 30, 2025

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
 Extraclassroom Activity Fund
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances
 Year ended June 30, 2025

| <u>Extraclassroom Activity</u> | Cash Balances at <u>July 1, 2024</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Cash Balances at <u>June 30, 2025</u> |
|------------------------------------|--|-------------------------|------------------------------|---|
| William Floyd High School: | | | | |
| Adaptive Entrepreneurs | \$ 250 | 2,499 | (1,134) | 1,615 |
| Athletics | 8,397 | 3,129 | (5,281) | 6,245 |
| Bible Club | 6 | - | - | 6 |
| Billy Floyd's Closet | 2,263 | 2,100 | (1,723) | 2,640 |
| Black Student Union | 437 | - | - | 437 |
| Business Honor Society | 2,181 | 6,995 | (7,786) | 1,390 |
| Business Service Club | 555 | - | - | 555 |
| Chamber Players | 185 | - | - | 185 |
| Class of 2024 | 7,860 | - | (7,860) | - |
| Class of 2025 | 5,224 | 98,974 | (85,355) | 18,843 |
| Class of 2026 | 3,676 | 3,169 | (2,345) | 4,500 |
| Class of 2027 | 5,067 | 784 | (768) | 5,083 |
| Class of 2028 | - | 7,288 | - | 7,288 |
| Colonial Cares | - | 239 | - | 239 |
| CTE | 36 | 5,070 | (3,664) | 1,442 |
| CTE - Automotive | 1 | - | - | 1 |
| CTE - Barbering | 1,038 | 6,724 | (6,728) | 1,034 |
| CTE - Carpentry | 35 | - | - | 35 |
| CTE - Cosmetology | 1,107 | 2,893 | (2,994) | 1,006 |
| CTE - Culinary | 18,371 | 2,205 | (1,825) | 18,751 |
| CTE - Medical Assisting | 2,913 | - | (86) | 2,827 |
| CTE - Marine & Motorsports | 175 | - | - | 175 |
| CTE - Personal Training | 623 | - | - | 623 |
| Field Trips | 636 | 2,027 | (1,967) | 696 |
| Floyd Features Video Club | 882 | - | - | 882 |
| Floyd Academy- SGC | 2,224 | 548 | - | 2,772 |
| Foreign Language Honor Society | 1,640 | 3,545 | (3,180) | 2,005 |
| Future Business Leaders of America | 5,770 | 2,805 | (4,301) | 4,274 |
| Gay-Straight Alliance | 25 | 500 | - | 525 |
| Hispanic Heritage | 1,552 | 6,103 | (5,620) | 2,035 |
| Interact Club | 166 | - | - | 166 |
| International Thespan Society | 1,263 | 1,487 | (500) | 2,250 |
| Key Club | 431 | - | - | 431 |
| Literary Magazine | 1,402 | 1,032 | (2,000) | 434 |
| Medical Club | 1,936 | 460 | (1,153) | 1,243 |
| Music Club | 1,537 | 18,913 | (19,384) | 1,066 |

(Continued)

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
 Extraclassroom Activity Fund
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances, Continued

| <u>Extraclassroom Activity</u> | Cash Balances at <u>July 1, 2024</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Cash Balances at <u>June 30, 2025</u> |
|--------------------------------------|--|-------------------------|------------------------------|---|
| William Floyd High School, Continued | | | | |
| National Art Honor Society | \$ 1,473 | 7,154 | (6,634) | 1,993 |
| National Honor Society | 5,508 | 8,969 | (8,361) | 6,116 |
| Technology EDU | 1,648 | - | - | 1,648 |
| Robotics | 3,342 | 3,941 | (4,014) | 3,269 |
| Rockettes (Kickline) | 2,313 | 3,217 | (1,796) | 3,734 |
| ROTC Leadership Club | 811 | 190 | - | 1,001 |
| ROTC Program | 6,871 | 16,065 | (12,379) | 10,557 |
| Sales Tax Payable | 834 | 12,661 | (7,505) | 5,990 |
| Science Honor Society | 1,412 | 4,084 | (4,643) | 853 |
| Select Choir | 2,144 | 10,478 | (11,481) | 1,141 |
| Sound and Light | 39 | - | - | 39 |
| Stage Band/Jazz Ensemble | 895 | - | - | 895 |
| Student Council | 7,146 | 33,632 | (31,879) | 8,899 |
| Tri-M (Modern Music Masters) | 5,340 | 7,734 | (4,500) | 8,574 |
| Vocal Ensemble | 5,412 | 61,078 | (58,713) | 7,777 |
| Yearbook | 7,703 | 4,875 | (10,070) | 2,508 |
| Youth and Government | 126 | - | - | 126 |
| Total William Floyd High School | <u>132,881</u> | <u>353,567</u> | <u>(327,629)</u> | <u>158,819</u> |
| William Paca Middle School: | | | | |
| 6th Grade Class Council | 575 | - | (575) | - |
| 7th Grade Class Council | 1,211 | - | (1,211) | - |
| 8th Grade Class Council | - | 12 | - | 12 |
| Art Club | 692 | 269 | - | 961 |
| Bridge Crew | 5,281 | 3,463 | (3,423) | 5,321 |
| Chamber Orchestra | - | 10,750 | (10,750) | - |
| Coffee House | 928 | - | - | 928 |
| Community of Unity | 63 | - | (63) | - |
| Drama Club | 402 | 3,766 | (3,821) | 347 |
| ENL Newcomers Club | - | 57 | - | 57 |
| Environmental Science | 35 | - | (35) | - |
| Fitness Club | 224 | 50 | (224) | 50 |
| Garden Club | 2,889 | 162 | (511) | 2,540 |
| Girl's Chorus | - | 171 | - | 171 |
| Home and Career | 207 | 423 | (615) | 15 |
| Honor Society | 6,307 | 9,562 | (9,678) | 6,191 |

(Continued)

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
 Extraclassroom Activity Fund
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances, Continued

| <u>Extraclassroom Activity</u> | Cash Balances at July 1, 2024 | Cash Receipts | Cash Disbursements | Cash Balances at June 30, 2025 |
|--|-------------------------------------|------------------|-----------------------|--------------------------------------|
| William Paca Middle School, Continued: | | | | |
| Jazz Band | \$ 108 | - | (108) | - |
| Judo Club | 101 | - | (101) | - |
| Math Club | 209 | - | - | 209 |
| Robotics | 88 | 68 | (153) | 3 |
| Sales Tax Payable | 1,036 | 12,786 | (11,918) | 1,904 |
| School Store | 3,218 | 9,763 | (5,991) | 6,990 |
| Science Research | 5 | - | (5) | - |
| Sound and Light | 346 | 79 | - | 425 |
| Stony Brook STEP | 83 | - | (53) | 30 |
| Student Council | 18,904 | 50,867 | (28,890) | 40,881 |
| Woodworking Club | 813 | - | (813) | - |
| Yearbook | 2,028 | 451 | (84) | 2,395 |
| Total William Paca Middle School | <u>45,753</u> | <u>102,699</u> | <u>(79,022)</u> | <u>69,430</u> |
| William Floyd Middle School: | | | | |
| 6th Grade Advisory | 7,866 | 20,497 | (22,289) | 6,074 |
| 7th Grade Advisory | 2,474 | 20,644 | (18,474) | 4,644 |
| Concert Band | 3,782 | 10,954 | (10,776) | 3,960 |
| Festival Orchestra | - | 3,376 | (3,290) | 86 |
| Latin Dance Club | 65 | 55 | - | 120 |
| Environmental Club | 178 | - | - | 178 |
| Mixed Chorus | 27 | 3,196 | (3,097) | 126 |
| Garden Club | 2,060 | - | (2,049) | 11 |
| Honor Society | 2,924 | 1,971 | (2,286) | 2,609 |
| Sales Tax Payable | 1,317 | 1,097 | (1,391) | 1,023 |
| Student Council | 7,339 | 12,812 | (12,052) | 8,099 |
| Student Council PBS | 3,239 | 3,027 | (3,785) | 2,481 |
| Yearbook | 9,827 | 3,645 | (10,714) | 2,758 |
| Total William Floyd Middle School | <u>41,098</u> | <u>81,274</u> | <u>(90,203)</u> | <u>32,169</u> |
| William Floyd Elementary School | <u>64,662</u> | <u>35,578</u> | <u>(47,626)</u> | <u>52,614</u> |
| Grand Total | <u>\$ 284,394</u> | <u>573,118</u> | <u>(544,480)</u> | <u>313,032</u> |

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Fund

Note to Financial Statement

June 30, 2025

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The extraclassroom activity fund represents funds of the students of the William Floyd Union Free School District (the District). Although the extraclassroom activity fund is independent of the District with respect to their financial transactions and the designation of student management, the Board of Education exercises general oversight of this fund. Based on this criterion, the extraclassroom activity fund is included in the District's reporting entity. The District reports these assets in the governmental miscellaneous special revenue fund in the Balance Sheet - Governmental Funds.

(b) Basis of Accounting

The accounts of the extraclassroom activity fund are maintained on the cash basis of accounting, and the statement of cash receipts, cash disbursements and cash balances reflect only cash received and disbursed. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.