



LONGWOOD CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2025

LONGWOOD CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Required Supplementary Information	
Management's Discussion and Analysis (MD&A)	4
Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Balance Sheet – Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the District-wide Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-wide Statement of Activities	24
Statement of Fiduciary Net Position – Fiduciary Fund	25
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	25
Notes to Financial Statements	26
Required Supplementary Information Other than MD&A:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	57
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	59
Schedule of District Pension Contributions	60
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	61
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	63
Other Information:	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund	64
Schedule of Project Expenditures and Financing Resources – Capital Projects Fund	65
Schedule of Net Investment in Capital Assets	68
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Longwood Central School District
Middle Island, New York

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 Longwood Central School District ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the district's proportionate share of the net pension asset/(liability), schedule of district pension contributions, and schedule of changes in the district's total OPEB liability and related ratios on pages 4 through 18 and 57 through 61, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of

the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Longwood Central School District's basic financial statements. The accompanying combining nonmajor funds financial statements on pages 62 and 63 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information on pages 64 through 68 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of Longwood Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Longwood Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Longwood Central School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

Port Jefferson Station, New York
September 29, 2025

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Longwood Central School District's ("the District") discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal 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, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

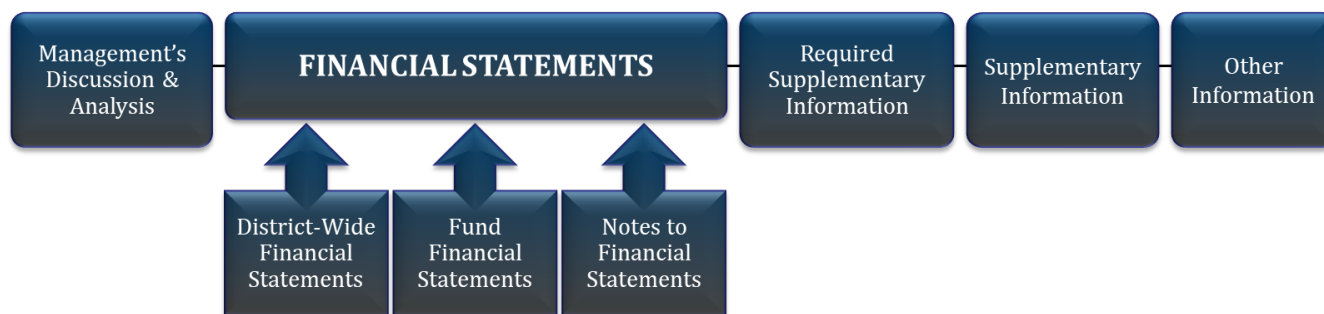
Key financial highlights for fiscal year 2025, are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by \$14,269,676. This was due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- For the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this statement resulted in compensated absences increasing and total net position decreasing by \$1,313,681.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$338,769,182. Of this amount, \$23,378,928 was offset by program charges for services, operating grants and contributions, and capital grants. General revenues of \$301,120,578 amount to 92.8% of total revenues, and were not adequate to cover the balance of program expenses.
- The District's general fund - fund balance, as reflected in the fund financial statements was \$91,574,941 at June 30, 2025. This balance represents a \$5,876,045 increase (6.86%) over the prior year due to an excess of revenues over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
 - Nonspendable fund balance decreased by \$177,894, which represents the change in prepaids.
 - Restricted fund balances increased by \$7,240,412, due to the allocation of interest earnings and funding transfers to the reserves, offset by the use of reserves.
 - Assigned fund balance decreased \$1,766,221, due to less purchases on order at year end.
 - Unassigned fund balance increased by \$579,748 to \$12,599,748.
- The District's 2025 property tax levy of \$159,361,467, including STAR was a 1.79% increase over the 2024 tax levy, which was equal to the District's property tax cap.
- On May 21, 2024, the voters of the District approved Bond Proposition I and Bond Proposition II in the amounts of \$158,000,000 and \$35,000,000, respectively. Bond Proposition I is to make improvements in infrastructure, health, safety and security; curriculum and instructional enhancement; athletics/physical education; and, community opportunities. Bond Proposition II is to complete air conditioning installation in all school buildings. As part of these propositions, \$17,860,156 has been transferred from the District's capital reserve to the capital projects fund, and to date, costs of \$4,528,733 have been expended. Approximately 75% of project expenditures will qualify for reimbursement through the New York State Education Department (NYSED) building aid. As of June 30, 2025, the District has not issued the related debt.
- The District established a property loss reserve during 2024-2025 and funded the reserve for \$1,500,000 as of June 30, 2025.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and 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 economic resources measurement focus and 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 and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference 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. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the District's school buildings and other capital assets.

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. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Fund Financial Statements

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

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

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

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activities fund, and scholarships fund. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, special aid fund, and capital projects fund, since the District has elected to report them as major funds. Combining information for the nonmajor funds can be found elsewhere in this report.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the RSI to demonstrate compliance with the budget.

Fiduciary Fund

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

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$14,269,676 between fiscal year 2025 and 2024. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. In addition, due to a change in accounting principle, an additional decrease of \$1,313,681 is reflected in the ending net position. The impact of the change in accounting principle is not required to be restated in the MD&A. A summary of the District's Statements of Net Position, follows:

	2025	2024	Increase (Decrease)	Percentage Change
Asset				
Current and Other Assets	\$ 141,287,532	\$ 138,565,752	\$ 2,721,780	1.96 %
Capital Assets, Net	215,624,805	213,614,424	2,010,381	0.94 %
Net Pension Assets - Proportionate Share	17,868,453	-	17,868,453	N/A
Total Assets	374,780,790	352,180,176	22,600,614	6.42 %
Deferred Outflows of Resources	128,006,115	173,783,012	(45,776,897)	(26.34)%
Liabilities				
Current and Other Liabilities	28,113,726	27,073,528	1,040,198	3.84 %
Long-Term Liabilities	64,993,997	66,652,422	(1,658,425)	(2.49)%
Total OPEB Liability	523,760,613	571,401,982	(47,641,369)	(8.34)%
Net Pension Liabilities - Proportionate Share	11,998,286	17,576,063	(5,577,777)	(31.74)%
Total Liabilities	628,866,622	682,703,995	(53,837,373)	(7.89)%
Deferred Inflows of Resources	181,245,863	135,001,416	46,244,447	34.25 %
Net Position (Deficit)				
Net investment in capital assets	175,259,611	169,358,322	5,901,289	3.48 %
Restricted	83,814,899	75,701,477	8,113,422	10.72 %
Unrestricted (Deficit)	(566,400,090)	(536,802,022)	(29,598,068)	5.51 %
Total Net Position (Deficit)	\$ (307,325,580)	\$(291,742,223)	\$ (15,583,357)	5.34 %

The increase in current and other assets is primarily related to larger amounts in cash and due from other governments, offset by a decrease in due from state and federal.

The increase in capital assets, net is due to capital assets additions in excess of depreciation expense. The "Capital Assets" Note provides additional information.

Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate share switched from a liability to an asset. This change was driven by strong market performance. The "Pension Plans – New York State" Note provides additional information.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The increase in current and other liabilities is mainly due to increases in accounts payable and due to teachers' retirement system, offset by the decrease in other liabilities.

The decrease in long-term liabilities is primarily the result of the repayment of the current maturity of the bond indebtedness, offset by an increase in the compensated absences payable. In addition, the long-term liabilities reflect a \$1,313,681 increase in the compensated absences liability as of July 1, 2024, as a result of the implementation of GASB Statement No 101, *Compensated Absences*.

Total OPEB liability decreased, based on the actuarial valuation of the plan. The "Postemployment Healthcare Benefits" Note provides additional information.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's (ERS) net pension liability at the measurement date. The net change in the net pension liability – proportionate share is the result of an increase in the proportionate share for the ERS, which was due to the net result of several factors, including increases in benefits earned by active employees, cost-of-living adjustments, and an increase in the number of retirees, resulting in larger benefit payments, offset by the switch in the TRS net pension liability – proportionate share to an asset. The "Pension Plans – New York State" Note provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation and related outstanding debt. The accompanying Other Information, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount relates to the District's reserves, which increased over the prior year, mainly due to interest earnings and funding transfers into the reserves.

The unrestricted (deficit) amount relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability. The unrestricted (deficit) amount also reflects an increase of \$1,313,681 as of July 1, 2024, as a result of the change in the compensated absences liability due to the implementation of GASB Statement No. 101, *Compensated Absences*.

B. Changes in Net Position

The results of operations, as a whole, are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements school tax relief (STAR) revenue is included in the other tax items line. 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:

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2025	2024	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 1,222,744	\$ 1,050,589	\$ 172,155	16.39 %
Operating Grants and Contributions	21,102,519	24,959,123	(3,856,604)	(15.45)%
Capital Grants	1,053,665	1,236,125	(182,460)	(14.76)%
General Revenues				
Property Taxes and STAR	159,362,070	156,553,256	2,808,814	1.79 %
State Sources	127,703,175	121,868,025	5,835,150	4.79 %
Other	14,055,333	13,589,913	465,420	3.42 %
Total Revenues	<u>324,499,506</u>	<u>319,257,031</u>	<u>5,242,475</u>	1.64 %
Expenses				
General Support	39,482,801	38,857,698	625,103	1.61 %
Instruction	268,554,514	273,936,630	(5,382,116)	(1.96)%
Pupil Transportation	21,847,827	20,573,955	1,273,872	6.19 %
Debt Service - Interest	2,186,914	2,540,877	(353,963)	(13.93)%
Food Service Program	6,697,126	6,511,837	185,289	2.85 %
Total Expenses	<u>338,769,182</u>	<u>342,420,997</u>	<u>(3,651,815)</u>	(1.07)%
Change in Net Position	<u>(14,269,676)</u>	<u>\$ (23,163,966)</u>	<u>\$ 8,894,290</u>	(38.40)%
Net Position - Beginning of Year, as Previously Reported	(291,742,223)			
Change in accounting principle	<u>(1,313,681)</u>			
Net Position - Beginning of Year, as Restated	<u>(293,055,904)</u>			
Net Position - End of Year	<u><u>\$(307,325,580)</u></u>			

The District's net position decreased by \$14,269,676 and \$23,163,966 for the years ended June 30, 2025 and June 30, 2024, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following major changes:

- The increase in state sources is chiefly due to the District recognizing more in general and excess cost aids.
- Real property taxes and STAR were increased to fund additional appropriations in the voter-approved 2024-2025 budget.
- Operating grants and contributions decreased as the District received less COVID-19 related grants.

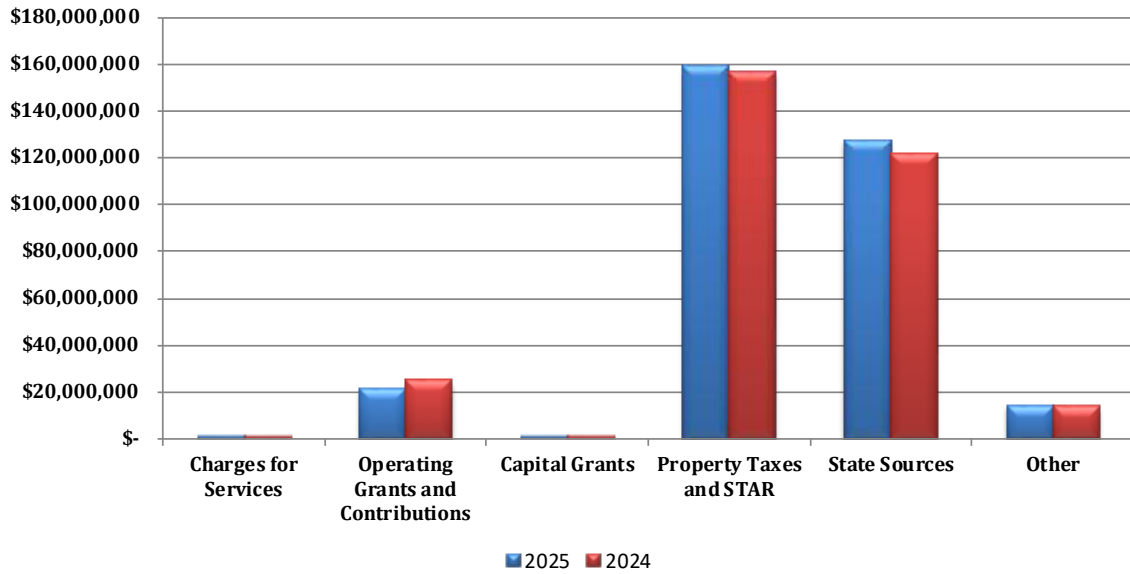
The District's expenses decreased when compared to the prior year, primarily due to the following major changes:

- Instruction decreased based on the impact of allocations of the net change in actuarially determined expenses for TRS and OPEB costs, offset by routine salary and step raises, and larger BOCES expenses, as a result of greater enrollment and additional services needed.
- Pupil transportation expenses increased due to the rise in contracted transportation costs.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 49.1% and 49.0% of the total for the years 2025 and 2024, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 79.3% and 80.1% of the total for the years 2025 and 2024, respectively).

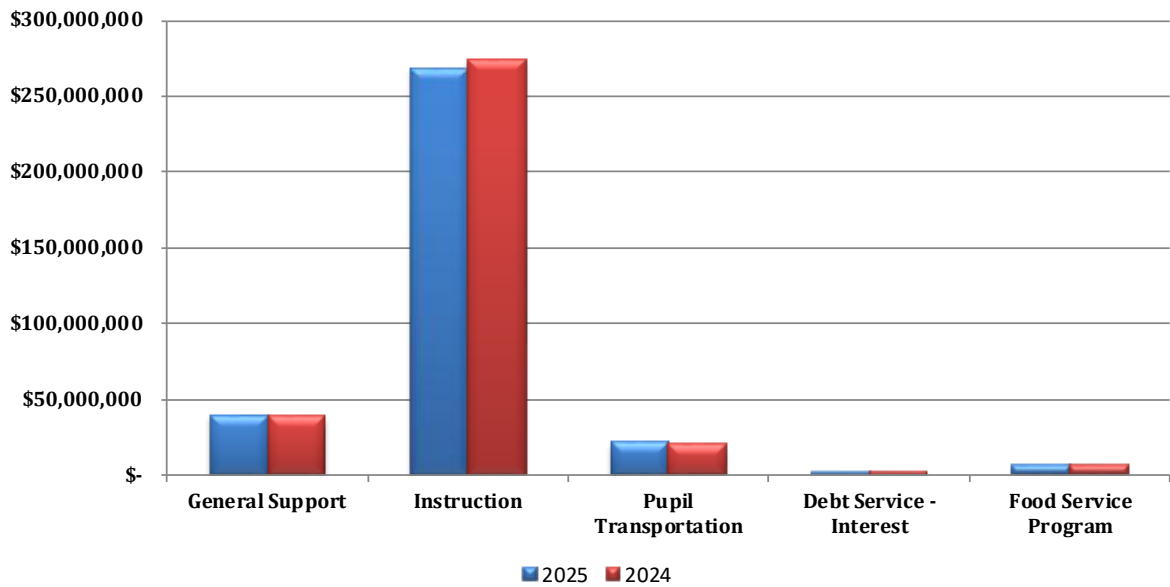
LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for Services	Operating Grants and Contributions	Capital Grants	Property Taxes and STAR	State Sources	Other
2025	0.4%	6.5%	0.3%	49.1%	39.4%	4.3%
2024	0.3%	7.8%	0.4%	49.0%	38.2%	4.3%

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



	General Support	Instruction	Pupil Transportation	Debt Service - Interest	Food Service Program
2025	11.7%	79.3%	6.4%	0.6%	2.0%
2024	11.3%	80.1%	6.0%	0.7%	1.9%

LONGWOOD CENTRAL 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 \$113,521,862, which is an increase of \$1,698,266 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. The June 30, 2024 capital projects fund balances include a reclassification between fund balance classifications of \$220,000. There was no change to total fund balance. A summary of the change in the components of fund balance by fund, is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Prepays	\$ 563,745	\$ 741,639	\$ (177,894)	(23.99)%
Restricted				
Workers' compensation	6,942,268	6,765,018	177,250	2.62 %
Unemployment insurance	1,297,226	1,246,155	51,071	4.10 %
Retirement contribution				
Teachers' retirement system	10,832,068	10,405,617	426,451	4.10 %
Employees' retirement system	20,809,566	20,182,433	627,133	3.11 %
Property loss	1,500,000	-	1,500,000	N/A
Liability	3,259,888	3,131,548	128,340	4.10 %
Employee benefit accrued liability	12,716,753	12,600,354	116,399	0.92 %
Capital	7,213,768	3,000,000	4,213,768	140.46 %
Assigned:				
Appropriated fund balance	6,000,000	6,000,000	-	0.00 %
Unappropriated fund balance	7,839,911	9,606,132	(1,766,221)	(18.39)%
Unassigned: Fund balance	12,599,748	12,020,000	579,748	4.82 %
	<u>91,574,941</u>	<u>85,698,896</u>	<u>5,876,045</u>	6.86 %
Capital Projects Fund				
Restricted: Capital	17,753,974	17,860,418	(106,444)	(0.60)%
Assigned: Unappropriated fund balance	-	1,840,722	(1,840,722)	(100.00)%
Unassigned: Fund balance (deficit)	<u>(2,542,043)</u>	<u>-</u>	<u>(2,542,043)</u>	N/A
	<u>15,211,931</u>	<u>19,701,140</u>	<u>(4,489,209)</u>	(22.79)%
School Food Service Fund				
Nonspendable: Inventory	-	179,661	(179,661)	(100.00)%
Assigned: Unappropriated fund balance	-	5,028,776	(5,028,776)	(100.00)%
	<u>-</u>	<u>5,208,437</u>	<u>(5,208,437)</u>	(100.00)%
Debt Service Fund				
Restricted: Debt service	-	932,591	(932,591)	(100.00)%
Extracurricular Activities Fund				
Assigned: Unappropriated fund balance	-	271,850	(271,850)	(100.00)%
Scholarships Fund				
Restricted: Scholarships	-	10,682	(10,682)	(100.00)%
Nonmajor Funds				
Nonspendable: Inventory	192,893	-	192,893	N/A
Restricted				
Debt	1,691,310	-	1,691,310	N/A
Scholarships	11,417	-	11,417	N/A
Assigned: Unappropriated fund balance	4,839,370	-	4,839,370	N/A
	<u>6,734,990</u>	<u>-</u>	<u>6,734,990</u>	N/A
Total Fund Balance	<u>\$ 113,521,862</u>	<u>\$ 111,823,596</u>	<u>\$ 1,698,266</u>	1.52 %

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The general fund - fund balance is an increase of \$5,876,045, compared to a decrease of \$2,601,828 in 2024. This resulted from revenues in excess of expenditures and other financing uses.

The following is a summary of the major changes that resulted in revenues increasing over the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	\$ 159,362,070	\$ 156,553,256	\$ 2,808,814	1.79 %
Other Local Sources	13,380,665	13,022,726	357,939	2.75 %
State Sources	127,703,175	121,868,025	5,835,150	4.79 %
Medicaid Reimbursement	389,046	550,675	(161,629)	(29.35)%
Federal Sources	265,367	125,879	139,488	110.81 %
Other Financing Sources	-	200,000	(200,000)	(100.00)%
	<u>\$ 301,100,323</u>	<u>\$ 292,320,561</u>	<u>\$ 8,779,762</u>	3.00 %

- State sources increased mainly due to the District recognizing more in general aid and excess cost aid.
- Property taxes and STAR were increased to fund additional appropriations in accordance with the 2024-2025 voter-approved budget.

The following is a summary of the major changes that resulted in expenditures and other financing uses increasing over the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
General Support	\$ 32,158,003	\$ 28,791,182	\$ 3,366,821	11.69 %
Instruction	164,384,817	152,712,905	11,671,912	7.64 %
Pupil Transportation	20,782,085	19,436,350	1,345,735	6.92 %
Employee Benefits	70,404,629	66,935,599	3,469,030	5.18 %
Debt Service	6,594,744	7,836,196	(1,241,452)	(15.84)%
Other Financing Uses	900,000	19,210,157	(18,310,157)	(95.31)%
	<u>\$ 295,224,278</u>	<u>\$ 294,922,389</u>	<u>\$ 301,889</u>	0.10 %

- Instruction increased due to routine salary and step raises, and larger BOCES expenditures, as a result of increased enrollment and additional services needed.
- General support increased due to routine salary increases, the addition of new positions, and increased maintenance and repair costs.
- Employee benefits increased chiefly due to higher health insurance premiums and larger contributions to the pension plans.
- Pupil transportation increased due to the rise in contracted transportation costs.
- Other financing uses decreased due to the prior year transfer from the capital reserve to the capital projects fund to fund the bond project approved by the voters on May 21, 2024.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

	Balance June 30, 2024	Use of Reserve	Interest	Funding	Balance June 30, 2025
Workers' compensation	\$ 6,765,018	\$ (100,000)	\$ 277,250	\$	\$ 6,942,268
Unemployment insurance	1,246,155		51,071		1,297,226
Retirement contribution					
TRS	10,405,617		426,451		10,832,068
ERS	20,182,433	(2,200,000)	827,133	2,000,000	20,809,566
Property loss	-			1,500,000	1,500,000
Liability	3,131,548		128,340		3,259,888
EBALR	12,600,354	(400,000)	516,399		12,716,753
2024 Capital Reserve	3,000,000		212,768	4,001,000	7,213,768
	<u>\$ 57,331,125</u>	<u>\$ (2,700,000)</u>	<u>\$ 2,439,412</u>	<u>\$ 7,501,000</u>	<u>\$ 64,571,537</u>

Additional detail regarding capital reserves can be found in the "Restricted for Capital Reserve" Note.

B. Special Aid Fund

Revenue and expenditures in the special aid fund were \$14,624,789 for 2024-2025, as compared to \$18,800,691 for the prior year. The decrease is the result of less COVID-19 related programs.

C. Capital Projects Fund

The capital projects fund - fund balance net decrease is the result of expenditures for capital improvements exceeding state sources for grant revenues under the Smart Schools Bond Act (SSBA), and operating transfers.

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

	* Balance June 30, 2024	Use of Reserve	Funding	Balance June 30, 2025
2017 Capital Reserve	<u>\$ 17,860,418</u>	<u>\$ -</u>	<u>\$ (106,444)</u>	<u>\$ 17,753,974</u>

*A reclassification of use of funding was made to the June 30, 2024 balance, resulting in an increase of \$220,000 to the 2017 capital reserve.

D. Reclassification of Major Funds to Nonmajor Funds

During the year ended June 30, 2025, the District reclassified the school food service, debt service, extraclassroom activities, and scholarships funds from major funds to nonmajor funds. This change is a voluntary presentation change made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but changes in financial activity during the current year now justify the nonmajor classification.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

E. Nonmajor Funds

The net change in the nonmajor funds – fund balance is an increase of \$311,430, compared to an increase of \$304,032 in 2024, as revenues of \$8,262,451 exceeded expenditures of \$7,951,021.

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

	Balance June 30, 2024	Use of Reserve	Interest	Funding	Balance June 30, 2025
Debt	\$ 932,591	\$	\$ 758,719	\$	\$ 1,691,310
Scholarships	10,682	(500)	235	1,000	11,417
	<u>\$ 943,273</u>	<u>\$ (500)</u>	<u>\$ 758,954</u>	<u>\$ 1,000</u>	<u>\$ 1,702,727</u>

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The District's general fund adopted budget for the year ended June 30, 2025, was \$300,500,000. This amount was increased by encumbrances carried forward from the prior year in the amount of \$9,606,132, for a total final budget of \$310,106,132.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$159,361,467 in estimated property taxes and STAR and estimated state sources of \$123,863,326.

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

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

Opening, Unassigned Fund Balance	\$ 12,020,000
Revenues Over Budget	9,300,323
Expenditures, Other Financing Uses, and Encumbrances Under Budget	7,041,943
Net change in Nonspendable Fund Balance	177,894
Allocation to Reserves	(9,940,412)
Appropriated to Fund the June 30, 2026 Budget	<u>(6,000,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 12,599,748</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Opening, Unassigned Fund Balance

The \$12,020,000 shown in the table is the portion of the District's June 30, 2024 fund balance that was retained as unassigned.

Revenues Over Budget

The 2024-2025 final budget for revenues and other financing sources was \$291,800,000. Actual revenues recognized for the year were \$301,100,323. The excess of actual revenues over estimated or budgeted revenues and other financing sources was \$9,300,323, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2024 to June 30, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2024-2025 final budget for expenditures and other financing uses was \$310,106,132. Actual expenditures and other financing uses as of June 30, 2025 were \$295,224,278 and outstanding encumbrances were \$7,839,911. Combined, the expenditures plus encumbrances for 2024-2025 were \$303,064,189. The final budget variance was \$7,041,943, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2024 to June 30, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

Nonspendable fund balance consists of prepayments made to the ERS, as required, as part of the District's participation in the pension stabilization program. The resulting balance sheet asset cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The reduction in nonspendable fund balance increases unassigned fund balance.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. "General Fund" (summary of restricted fund balance activity) of this MD&A details the allocation of interest earnings and funding transfers to reserves.

Appropriated Fund Balance

The District has chosen to use \$6,000,000 of the available June 30, 2025 unassigned fund balance to partially fund the 2025-2026 approved operating budget. As such, the June 30, 2025 unassigned fund balance must be reduced by this amount.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2025 was \$12,599,748. This amount equals 4% of the 2025-2026 budget, which complies with the statutory limits established by §1318 of Real Property Law.

6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

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 outlays and other additions of \$11,009,022 in excess of depreciation expense of \$8,998,641 recorded for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Land	\$ 2,012,335	\$ 2,012,335	\$ -
Construction in progress	12,365,891	11,859,733	506,158
Buildings & improvements	189,935,254	189,881,476	53,778
Furniture & equipment	10,823,147	9,321,001	1,502,146
Land improvements	488,178	539,879	(51,701)
	<u>\$ 215,624,805</u>	<u>\$ 213,614,424</u>	<u>\$ 2,010,381</u>
Capital assets, net			

B. Debt Administration

At June 30, 2025, the District had total debt of \$37,907,090. The decreases in outstanding debt represent principal payments made throughout the year. A summary of the outstanding debt at June 30, 2025 and 2024, is as follows:

Issue Date	Interest Rate	2025	2024	Increase (Decrease)
Bonds Payable				
12/18/2014	2.15-3.125%	\$ 9,190,000	\$ 10,070,000	\$ (880,000)
6/15/2016	2.00-2.125%	8,315,000	9,880,000	(1,565,000)
8/30/2018	3.00-5.00%	12,120,000	13,360,000	(1,240,000)
12/13/2022	4.00-5.00%	8,245,000	8,690,000	(445,000)
		<u>\$ 37,870,000</u>	<u>\$ 42,000,000</u>	<u>\$ (4,130,000)</u>
Installment Purchase Debt				
7/1/2022	0.00%	\$ 37,090	\$ 74,179	\$ (37,089)

The District's latest underlying, long-term credit rating from Standard & Poor's is AA+. The District's outstanding debt at June 30, 2025 is approximately 3.79% of the District's debt limit.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, and early retirement incentive, which are based on employment contracts, and total OPEB liability and net pension liabilities – proportionate share, which are based on actuarial valuations. The compensated absences liability, at June 30, 2025, includes the effect of the implementation of GASB Statement No. 101. The net change in the net position liabilities – proportionate share reflects the change in the TRS from a liability to an asset as previously discussed. A summary of the outstanding other long-term liabilities at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Compensated absences payable	\$ 25,871,207	\$ 23,128,512	\$ 2,742,695
Total OPEB liability	523,760,613	571,401,982	(47,641,369)
Net pension liabilities - proportionate share	11,998,286	17,576,063	(5,577,777)
	<u>\$ 561,630,106</u>	<u>\$ 612,106,557</u>	<u>\$ (50,476,451)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 20, 2025, for the year ending June 30, 2026, is \$315,000,000. This is an increase of \$14,500,000 or 4.83% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a \$11,572,958 increase over the prior year's estimate. The assigned, appropriated fund balance applied to the budget in the amount of \$6,000,000 remained the same as the prior year. Additionally, the District has elected to appropriate \$700,000 of reserves towards the next year's budget, which is a \$2,000,000 decrease from the previous year. A property tax increase of \$4,927,042 (3.09%), levy-to-levy, was needed to meet the increase in appropriations.

B. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid complicates long-range planning.
- Rise in employee cost centers of employee salaries and health benefits, as well as contributions to pension programs.
- Changing circumstances of unforeseen events and risks including natural disasters and global pandemics.
- Impact of external factors such as market trends, economic conditions, and regulatory changes.
- The combination of high inflation and high interest rates can impact all lines of the budget.
- Social and demographic changes with population, age distribution, and personal income can have significant and lasting effects.
- Legal and intergovernmental factors constraining tax increases, forbidding particular revenue sources, and mandating some services.

LONGWOOD CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

C. Tax Cap

New York State law limits the annual increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation plus additional statutory adjustments to the tax levy limit. School districts may override the tax levy limit (tax cap) by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit; however, that budget must be approved by at least 60% of the votes cast. Based on the law, the District's tax cap for 2025-2026 of 3.09% was equal to the tax cap and did not require an override vote.

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:

Ms. Janet Bryan
Assistant Superintendent for District Operations
Longwood Central School District
35 Yaphank-Middle Island Road
Middle Island, New York 11953

LONGWOOD CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

ASSETS

Cash	
Unrestricted	\$ 41,823,609
Restricted	84,028,238
Receivables	
Accounts receivable	147,564
Due from state and federal	13,549,764
Due from other governments	981,719
Prepays	563,745
Inventory	192,893
Capital assets:	
Not being depreciated	14,378,226
Being depreciated, net of accumulated depreciation	201,246,579
Net pension assets - proportionate share	<u>17,868,453</u>
Total Assets	<u>374,780,790</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	49,104,257
Other postemployment benefits	<u>78,901,858</u>
Total Deferred Outflows of Resources	<u>128,006,115</u>

LIABILITIES

Payables	
Accounts payable	4,952,775
Accrued liabilities	4,598,282
Retainage payable	280,655
Due to other governments	2,939,066
Due to teachers' retirement system	13,070,986
Due to employees' retirement system	1,323,690
Compensated absences payable	584,361
Other liabilities	239,889
Unearned credits - collections in advance	124,022
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	4,485,045
Installment purchase debt payable	37,090
Compensated absences payable	852,447
Total other postemployment benefits liability	14,999,592
Due and payable after one year	
Bonds payable, net	34,600,655
Compensated absences payable	25,018,760
Total other postemployment benefits liability	508,761,021
Net pension liabilities - proportionate share	<u>11,998,286</u>
Total Liabilities	<u>628,866,622</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	22,655,468
Other postemployment benefits	<u>158,590,395</u>
Total Deferred Inflows of Resources	<u>181,245,863</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>175,259,611</u>
Restricted:	
Workers' compensation	6,942,268
Unemployment insurance	1,297,226
Retirement contribution	
Teachers' retirement system	10,832,068
Employees' retirement system	20,809,566
Property loss	1,500,000
Liability	3,259,888
Employee benefit accrued liability	12,716,753
Capital	24,967,742
Debt	1,477,971
Scholarships	<u>11,417</u>
	<u>83,814,899</u>
Unrestricted (deficit)	<u>(566,400,090)</u>
Total Net Position (Deficit)	<u>\$ (307,325,580)</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants	
FUNCTIONS/PROGRAMS					
General support	\$ 39,482,801	\$	\$	\$	\$ (39,482,801)
Instruction	268,554,514	949,893	14,441,156	1,053,665	(252,109,800)
Pupil transportation	21,847,827				(21,847,827)
Debt service - interest	2,186,914				(2,186,914)
Food service program	6,697,126	272,851	6,661,363		237,088
Total Functions and Programs	<u>\$ 338,769,182</u>	<u>\$ 1,222,744</u>	<u>\$ 21,102,519</u>	<u>\$ 1,053,665</u>	<u>(315,390,254)</u>
GENERAL REVENUES					
Real property taxes					146,874,241
Other tax items					17,071,025
Use of money and property					5,156,818
Sale of property and compensation for loss					13,161
Miscellaneous					3,913,112
State sources					127,703,175
Medicaid reimbursement					389,046
Total General Revenues					<u>301,120,578</u>
Change in Net Position					<u>(14,269,676)</u>
Total Net Position (Deficit) - Beginning of Year, as Previously Reported					(291,742,223)
Change in Accounting Principle					<u>(1,313,681)</u>
Total Net Position (Deficit) - Beginning of Year, as Restated					<u>(293,055,904)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (307,325,580)</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025

	General	Special Aid	Capital Projects	Formerly Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
				School Food Service	Debt Service	Extracurricular Activities	Scholarships		
ASSETS									
Cash									
Unrestricted	\$ 36,827,283	\$ 14,928	\$	\$	\$	\$	\$	\$ 4,981,398	\$ 41,823,609
Restricted	66,092,281		16,287,316					1,648,641	84,028,238
Receivables									
Accounts receivable	147,564								147,564
Due from other funds	5,167,742							54,586	5,222,328
Due from state and federal	8,064,551	4,943,911						541,302	13,549,764
Due from other governments	981,719								981,719
Prepays	563,745								563,745
Inventory								192,893	192,893
Total Assets	<u>\$ 117,844,885</u>	<u>\$ 4,958,839</u>	<u>\$ 16,287,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,418,820</u>	<u>\$ 146,509,860</u>
LIABILITIES									
Payables									
Accounts payable	\$ 3,612,204	\$ 323,289	\$ 961,749	\$	\$	\$	\$	\$ 55,533	\$ 4,952,775
Accrued liabilities	4,389,048	35,551						106,282	4,530,881
Due to other funds		4,599,930	113,636					508,762	5,222,328
Due to other governments	2,938,265							801	2,939,066
Due to teachers' retirement system	13,070,986								13,070,986
Due to employees' retirement system	1,323,690								1,323,690
Compensated absences payable	584,361								584,361
Other liabilities	239,889								239,889
Unearned credits									
Collections in advance	111,501	69						12,452	124,022
Total Liabilities	<u>26,269,944</u>	<u>4,958,839</u>	<u>1,075,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683,830</u>	<u>32,987,998</u>
FUND BALANCES									
Nonspendable: Inventory									
Prepays	563,745								563,745
Inventory								192,893	192,893
Restricted:									
Workers' compensation	6,942,268								6,942,268
Unemployment insurance	1,297,226								1,297,226
Retirement contribution									
Teachers' retirement system	10,832,068								10,832,068
Employees' retirement system	20,809,566								20,809,566
Property loss	1,500,000								1,500,000
Liability	3,259,888								3,259,888
Employee benefit accrued liability	12,716,753								12,716,753
Capital	7,213,768		17,753,974						24,967,742
Debt								1,691,310	1,691,310
Scholarships								11,417	11,417
Assigned:									
Appropriated fund balance	6,000,000								6,000,000
Unappropriated fund balance	7,839,911							4,839,370	12,679,281
Unassigned: Fund balance (deficit)	<u>12,599,748</u>		<u>(2,542,043)</u>						<u>10,057,705</u>
Total Fund Balances	<u>91,574,941</u>	<u>-</u>	<u>15,211,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,734,990</u>	<u>113,521,862</u>
Total Liabilities and Fund Balances	<u>\$ 117,844,885</u>	<u>\$ 4,958,839</u>	<u>\$ 16,287,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,418,820</u>	<u>\$ 146,509,860</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the District-wide Statement of Net Position
June 30, 2025

Total Governmental Fund Balances	\$ 113,521,862
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building and acquiring capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost or present value of capital assets	\$ 362,609,135	
Less: Accumulated depreciation	<u>(146,984,330)</u>	
		215,624,805

Proportionate share of long-term assets and liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or assets and liabilities and are not reported in the funds.

Deferred outflows of resources	49,104,257	
Net pension asset - teachers' retirement system	17,868,453	
Net pension liability - employees' retirement system	(11,998,286)	
Deferred inflows of resources	<u>(22,655,468)</u>	
		32,318,956

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	78,901,858	
Total other postemployment benefits liability	(523,760,613)	
Deferred inflows of resources	<u>(158,590,395)</u>	
		(603,449,150)

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

Accrued interest on debt	(67,401)	
Retainage payable	(280,655)	
Bonds payable, net	(39,085,700)	
Installment purchase debt payable	(37,090)	
Compensated absences payable	<u>(25,871,207)</u>	
		<u>(65,342,053)</u>

Total Net Position (Deficit)	<u>\$ (307,325,580)</u>
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LONGWOOD CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Formerly Major Funds							Nonmajor	Total
	General	Special Aid	Capital Projects	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Governmental Funds	Governmental Funds
REVENUES									
Real property taxes	\$ 146,874,241	\$	\$	\$	\$	\$	\$	\$	\$ 146,874,241
Other tax items	17,071,025								17,071,025
Charges for services	949,893								949,893
Use of money and property	4,305,683							851,135	5,156,818
Sale of property and compensation for loss	13,161								13,161
Miscellaneous	3,437,010							477,209	3,914,219
Interfund revenue	91,722								91,722
State sources	127,703,175	6,204,495	1,105,615					1,089,837	136,103,122
Medicaid reimbursement	389,046								389,046
Federal sources	265,367	7,970,294						5,571,526	13,807,187
Sales								272,744	272,744
Total Revenues	301,100,323	14,174,789	1,105,615	-	-	-	-	8,262,451	324,643,178
EXPENDITURES									
General support	32,158,003								32,158,003
Instruction	164,384,817	13,898,557						504,183	178,787,557
Pupil transportation	20,782,085	726,232							21,508,317
Employee benefits	70,404,629								70,404,629
Debt service									
Principal	4,167,089								4,167,089
Interest	2,427,655								2,427,655
Food service program								7,446,838	7,446,838
Capital outlay			6,044,824						6,044,824
Total Expenditures	294,324,278	14,624,789	6,044,824	-	-	-	-	7,951,021	322,944,912
Excess (Deficiency) of Revenues Over Expenditures	6,776,045	(450,000)	(4,939,209)	-	-	-	-	311,430	1,698,266
OTHER FINANCING SOURCES AND (USES)									
Operating transfers in		450,000	450,000						900,000
Operating transfers (out)	(900,000)								(900,000)
Total Other Sources and (Uses)	(900,000)	450,000	450,000	-	-	-	-	-	-
Net Change in Fund Balances	5,876,045	-	(4,489,209)	-	-	-	-	311,430	1,698,266
Fund Balances - Beginning of Year, as Previously Reported	85,698,896	-	19,701,140	5,208,437	932,591	271,850	10,682	-	111,823,596
Change Within Reporting Entity				(5,208,437)	(932,591)	(271,850)	(10,682)	6,423,560	-
Fund Balances - Beginning of Year, as Restated	85,698,896	-	19,701,140	-	-	-	-	6,423,560	111,823,596
Fund Balances - End of Year	\$ 91,574,941	\$ -	\$ 15,211,931	\$ -	\$ -	\$ -	\$ -	\$ 6,734,990	\$ 113,521,862

LONGWOOD CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the District-wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances \$ 1,698,266

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

Long-Term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.

\$ (51,950)

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the statement of Activities.

Increase in compensated absences

(1,429,014)

(1,480,964)

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation expense in the period.

Capital outlays and other additions
Depreciation expense

11,009,022
(8,998,641)

Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. Retainage payable decreased from the prior year by:

28,556

2,038,937

Long-Term Debt Transactions Differences

The amortization of deferred premiums on bonds decreases interest expense in the Statement of Activities.

234,031

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bonds payable
Installment purchase debt

4,130,000
37,089

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2024 to June 30, 2025.

6,710

4,407,830

Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Teachers' retirement system
Employees' retirement system
Other postemployment benefits

1,930,167
825,503
(23,689,415)

(20,933,745)

Change in Net Position (Deficit) of Governmental Activities

\$ (14,269,676)

LONGWOOD CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2025

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ -
LIABILITIES	
Due to governmental funds	<u>-</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ -</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2025

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for the Library	\$ 8,816,919
PILOT collected for the Library	<u>184,602</u>
Total Additions	9,001,521
DEDUCTIONS	
Disbursements of real property taxes and PILOT to the Library	<u>9,001,521</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Longwood Central School District ("the District") have been prepared in conformity 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 District is an independent entity governed by an elected Board of Education ("the Board") consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have the 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, there are no other entities that would be included in the District's reporting entity.

B. Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Eastern Suffolk (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the New York State Education Law ("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 §1950 of Education Law. All BOCES property is held by the BOCES board as a corporation under §1950(6). In addition, BOCES boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital costs is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund type, governmental and fiduciary, are presented. The District's financial statements present the following fund types:

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 general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid Fund - is used to account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either government that provides the funds, or outside parties.

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

The following are the District's nonmajor governmental funds:

School Food Service Fund - is used to account for the activities of the food service program.

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

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Extraclassroom Activities Fund – is used to account for the funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extraclassroom activities fund are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements of the extraclassroom activities fund can be found at the District’s Business Office.

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

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

Custodial Fund - is used to account for real property taxes and PILOT collected on behalf of and disbursed to the Longwood Public Library.

D. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liability, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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

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

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, pension costs, and OPEB, which are recognized as expenditures to the extent they have matured. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

E. Real Property Taxes and Other Tax Items

Calendar

Real property taxes are levied annually by the Board no later than November 1st and become a lien on December 1st. Taxes are collected by the town of Brookhaven and remitted to the District from December to June.

The District also levies the real property taxes for the Longwood Public Library (Library), which are collected by the town and included in the amount remitted to the District. The District remits the Library's share of the tax levy to the Library in monthly installments. These pass through amounts are not included in the District's real property tax revenues; however, they are recorded in the custodial fund.

Enforcement

Uncollected real property taxes are subsequently enforced by Suffolk County in June.

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

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

G. Restricted Resources

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

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. Interfund Transactions

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

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

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

A detailed disclosure by individual fund for interfund receivables, payables, transfers in, and transfers out activity is provided subsequently in these Notes to Financial Statements.

I. Use of Estimates

The preparation of financial statements in conformity 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 contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, OPEB, potential contingent liabilities, and useful lives of capital assets.

J. Cash

Cash consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from date of acquisition.

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

K. Receivables

Receivables are recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the fund financial statements. Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

L. Inventory and Prepaid Items

Inventory of food in the school food service fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. Inventory is accounted for on the consumption method.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the Statement of Net Position and Balance Sheet using the consumption method.

Under the consumption method, a current asset for the inventory and prepaid item is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute an available spendable resource.

M. Capital Assets

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

All capital and intangible assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 15,000	50 years
Furniture and equipment	1,000	5-20 years
Land improvements	15,000	20 years

N. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions and consists of the District's proportionate share of changes in the collective net pension assets or liabilities not included in the collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The second item is related to OPEB and represents the change in the total OPEB liability not included in OPEB expense.

O. Short-Term Debt

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

P. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as Suffolk County Stop-arm program fees and health insurance premiums in the general fund, grants in the special aid fund, and prepaid lunch amounts in the nonmajor funds (school food service). These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

Q. Employee Benefits – Compensated Absences

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

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

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

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employee's §403(b) plan.

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability is measured at the employee's pay rate at the reporting date, including salary-related payments, such as social security and Medicare taxes.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

R. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting as set forth by GASB.

S. Long-Term Debt

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

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

In the district-wide financial statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension assets or liabilities not included in the collective pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position and represents the change in the total OPEB liability not included in OPEB expense.

U. Equity Classifications

District-Wide Statements

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

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, 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.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because their form or because they must be maintained intact. Nonspendable fund balance consists of inventory, which is recorded in the nonmajor funds (school food service), and prepaids, which are recorded in the general fund.

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

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 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. 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 ERS. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. Contributions to the TRS sub-fund are limited to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The TRS sub-fund is separately administered, but must comply with all the existing provisions of GML §6-r. These reserves are accounted for in the general fund.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Property Loss and Liability Reserve

Property Loss and Liability Reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserve may not exceed 3% of the annual budget or \$15,000, whichever is greater. These reserves are accounted for 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 primarily based on unused and unpaid sick leave, personal leave, holiday leave, or vacation leave 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.

Capital Reserve

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

Restricted for Debt

Unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of debt, and premiums and accrued interest on borrowings are recorded in the debt service fund and held until appropriated for debt payments. The reserve is accounted for in the nonmajor funds (debt service).

Restricted for Scholarships

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

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

Unassigned – Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from the overspending of available resources. NYS Real Property Tax Law §1318, restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the subsequent year's budget.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Balance Classification

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

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

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

2. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used, but not yet paid in cash or settled through noncash means. This liability would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash, or settled through noncash means.

See "Changes to or Within Reporting Entity and Change in Accounting Principle" Note for detailed information regarding the restatement.

3. FUTURE ACCOUNTING STANDARDS

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
June 30, 2026	GASB No. 103 – <i>Financial Reporting Model Improvements</i>
June 30, 2026	GASB No. 104 – <i>Disclosure of Certain Capital Assets</i>

GASB Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

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

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 current financial resources focus of the governmental funds Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, long-term assets and liabilities, and deferred inflows of resources.

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

Differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

Long-Term Revenue and Expense Differences

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

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 acquisition of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP, and are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

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

C. Capital Projects Fund (Deficit)

The capital projects fund has an unassigned fund balance deficit of \$2,542,043. This will be funded when the District obtains permanent financing for its current construction project.

D. Net Position Deficit

As of June 30, 2025, the governmental activities reported a net position deficit of \$307,325,580. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liabilities on a "pay as you go" basis, has resulted in a negative net position. The District remains committed to its employees and retirees by continuing to make all required contributions to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities and letters of credit pledged on the District's behalf at year end.

The District did not have any investments at year end or during the year. Consequently, the District was not exposed to any material interest rate risk or foreign currency risk.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2025, the District was billed \$23,307,512 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,510,343. Financial statements for the BOCES are available from the BOCES administrative offices at 201 Sunrise Highway, Patchogue, New York 11772.

8. DUE FROM STATE AND FEDERAL

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

General Fund	
New York State - general aid	\$ 1,116,137
New York State - excess cost aid	4,438,071
BOCES aid	<u>2,510,343</u>
	8,064,551
Special Aid Fund	
Federal and state grants	4,943,911
Nonmajor Funds	
Federal and state food service program reimbursements	<u>541,302</u>
	<u>\$ 13,549,764</u>

District management expects these amounts to be fully collectible.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

9. DUE FROM OTHER GOVERNMENTS

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

General Fund	
Other districts - non-resident tuition	\$ 388,734
Suffolk County - PILOT	592,985
	<u>\$ 981,719</u>

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

A. Changes

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

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,012,335	\$	\$	\$ 2,012,335
Construction in progress	11,859,733	6,754,531	(6,248,373)	12,365,891
Total capital assets not being depreciated	13,872,068	6,754,531	(6,248,373)	14,378,226
Capital assets being depreciated:				
Buildings & improvements	314,973,516	6,260,591		321,234,107
Furniture & equipment	21,501,843	4,242,273	(17,158)	25,726,958
Land improvements	1,269,844			1,269,844
Total capital assets being depreciated	337,745,203	10,502,864	(17,158)	348,230,909
Less accumulated depreciation for:				
Buildings & improvements	125,092,040	6,206,813		131,298,853
Furniture & equipment	12,180,842	2,740,127	(17,158)	14,903,811
Land improvements	729,965	51,701		781,666
Total accumulated depreciation	138,002,847	8,998,641	(17,158)	146,984,330
Total capital assets, being depreciated, net	199,742,356	1,504,223	-	201,246,579
Capital assets, net	<u>\$ 213,614,424</u>	<u>\$ 8,258,754</u>	<u>\$ (6,248,373)</u>	<u>\$ 215,624,805</u>

Depreciation expense was charged to governmental functions, as follows:

General support	\$ 375,240
Instruction	8,467,432
Pupil transportation	70,715
Food service program	85,254
Total depreciation expense	<u>\$ 8,998,641</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Impairment Losses

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

11. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 5,167,742	\$	\$	\$ 900,000
Special Aid Fund		4,599,930	450,000	
Capital Projects Fund		113,636	450,000	
Nonmajor Funds	54,586	508,762		
Total Governmental Funds	<u>\$ 5,222,328</u>	<u>\$ 5,222,328</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>

The District typically transfers from the general fund to the special aid fund for the District's share of the costs of the summer program for students with disabilities and the state-supported Section 4201 schools, and the capital projects fund in accordance with the general fund budget. The budgeted transfer to capital projects fund was for district-wide mechanic upgrades.

12. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Maturity	Stated Interest Rate	Balance June 30, 2024	Issued	Redeemed	Balance June 30, 2025
TAN	6/18/2025	4.00%	<u>\$ -</u>	<u>\$ 46,000,000</u>	<u>\$ (46,000,000)</u>	<u>\$ -</u>

The TAN was issued to provide cash flow for the District until real property taxes are received from the Town.

Interest on short-term debt for the year was \$1,028,611.

The District received premiums of \$310,500 for the TAN, which offset the interest owed. The effective average interest rate was 3.0725%.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

13. LONG-TERM LIABILITIES

A. Changes

Long-term liabilities balances and activities, excluding pension liabilities, for the year are summarized below:

	* Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
<u>Long-term debt:</u>					
Bonds payable	\$ 42,000,000	\$	\$ (4,130,000)	\$ 37,870,000	\$ 4,270,000
Premium on obligations	1,449,731		(234,031)	1,215,700	215,045
	43,449,731	-	(4,364,031)	39,085,700	4,485,045
Installment purchase debt	74,179		(37,089)	37,090	37,090
<u>Other long-term liabilities:</u>					
Compensated absences*	24,442,193	1,429,014		25,871,207	852,447
Total OPEB liability	571,401,982		(47,641,369)	523,760,613	14,999,592
	<u>\$ 639,368,085</u>	<u>\$ 1,429,014</u>	<u>\$(52,042,489)</u>	<u>\$ 588,754,610</u>	<u>\$ 20,374,174</u>

* The beginning balance of compensated absences of \$23,128,512, as previously reported, was increased by \$1,313,681 to present the cumulative effect of GASB Statement No. 101.

The general fund has typically been used to liquidate other long-term liabilities.

Additions and reductions to compensated absences are shown net since it is impractical to separately determine these amounts. The maturity of compensated absences is not determinable.

For total OPEB liability, see "Postemployment Healthcare Benefits" Note for additional information.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Serial bonds				
- Library	12/18/2014	6/15/2034	2.15-3.125%	\$ 9,190,000
- Energy Bond	6/15/2016	6/15/2030	2.00-2.125%	8,315,000
- Capital improvement	8/30/2018	6/21/2033	3.00-5.00%	12,120,000
- Capital improvement	12/13/2022	12/1/2037	4.00-5.00%	8,245,000
				<u>\$ 37,870,000</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,270,000	\$ 1,260,869	\$ 5,530,869
2027	4,415,000	1,117,219	5,532,219
2028	4,575,000	963,194	5,538,194
2029	4,725,000	817,168	5,542,168
2030	4,880,000	665,869	5,545,869
2031 - 2035	12,670,000	1,474,231	14,144,231
2036 - 2038	2,335,000	142,700	2,477,700
Total	<u>\$ 37,870,000</u>	<u>\$ 6,441,250</u>	<u>\$ 44,311,250</u>

C. Remedies Upon Default in Bond Payments

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

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

D. Premiums on Obligations

The District issued serial bonds on August 30, 2018 and December 13, 2022, and received premiums on obligations of \$1,791,068 and \$854,408, respectively. These premiums are being amortized as a component of interest expense on the weighted average basis over the life of these serial bonds in the district-wide statements, as follows:

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Year Ending June 30,</u>	<u>Amortization of Premium</u>
2026	\$ 215,045
2027	195,096
2028	174,132
2029	152,205
2030	129,341
2031 - 2035	309,798
2036 - 2038	<u>40,083</u>
Total	<u>\$ 1,215,700</u>

E. Installment Purchase Debt

Installment debt comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2025</u>
Copier equipment	7/1/2022	6/1/2026	0%	<u>\$ 37,090</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>
2026	<u>\$ 37,090</u>

F. Interest Expense

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

Interest paid	\$ 1,399,044
Less interest accrued in the prior year	(74,111)
Plus interest accrued in the current year	67,401
Less amortization of premium on obligations	<u>(234,031)</u>
Total interest expense on long-term debt	<u>\$ 1,158,303</u>

G. Authorized and Unissued Debt

On May 21, 2024, the voters approved a bond issue not to exceed \$175,139,844 for facilities improvements. As of June 30, 2025, no debt has been issued.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. LONGWOOD PUBLIC LIBRARY BOND OBLIGATION

On October 9, 2012, the voters of the District authorized the Board to finance the expansion and renovation of the Longwood Public Library (the Library) in the amount of \$17,896,347. On December 18, 2014, the District issued serial bonds in the amount of \$17,595,000 in connection with this authorization. Although the bond issue is an obligation of the District, the Library Board has committed to raise funds through its budget and tax levy sufficient to transfer to the District for the ensuing debt service payments. The District received \$1,028,000 from the Library during the year ended June 30, 2025, which is included in miscellaneous revenue.

15. PENSION PLANS – NEW YORK STATE

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer, defined benefit, public employee retirement systems. The systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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 the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the 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. The 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.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 9.76% of covered payroll for the TRS' fiscal year ended June 30, 2024. The District's average contribution rate was 13.69% of covered payroll for the ERS' fiscal year ended March 31, 2025.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2025, was \$11,639,387 for the TRS at the contribution rate of 10.11% and \$4,012,789 for the ERS at an average contribution rate of 13.62%.

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

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

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
District's proportionate share of the net pension asset/(liability)	\$ 17,868,453	\$ (11,998,286)
District's portion of the Plan's net pension liability	0.598887%	0.0699783%
Change in proportion since the prior measurement date	0.004775	(0.0032481)

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$9,709,220 for TRS and \$3,187,286 for ERS. At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 19,241,042	\$ 2,978,055	\$	\$ 140,477
Changes of assumptions	10,688,955	503,184	1,797,982	
Net difference between projected and actual earnings on pension plan investments		941,352	19,853,373	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	125,106	1,663,486	452,775	410,861
District contributions subsequent to the measurement date	<u>11,639,387</u>	<u>1,323,690</u>		
Total	<u>\$ 41,694,490</u>	<u>\$ 7,409,767</u>	<u>\$ 22,104,130</u>	<u>\$ 551,338</u>

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

<u>Year Ending June 30,</u>	<u>TRS</u>	<u>ERS</u>
2026	\$ (9,294,240)	\$ 2,567,361
2027	21,785,676	3,453,972
2028	(3,642,007)	(637,261)
2029	(4,050,457)	150,667
2030	2,274,307	
Thereafter	<u>877,694</u>	
	<u>\$ 7,950,973</u>	<u>\$ 5,534,739</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions

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

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

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 for June 30, 2024 and June 30, 2023, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For TRS, assumptions were computed by the TRS' Office of the Actuary and adopted by the TRS' Retirement Board in October 2021. The assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS' annual Actuarial Valuation Report. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions 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.

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

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2024		March 31, 2025
Asset class				
Domestic equity	33.0%	6.60%	25.0%	3.54%
International equity	15.0%	7.40%	14.0%	6.57%
Global equity	4.0%	6.90%		
Real estate equity	11.0%	6.30%	12.0%	4.95%
Private equity	9.0%	10.00%	15.0%	7.25%
Alternative investments			11.0%	5.25-5.55%
Domestic fixed income	16.0%	2.60%		
High-yield bonds	1.0%	4.80%		
Global bonds	2.0%	2.50%		
Fixed income			22.0%	2.00%
Private debt	2.0%	5.90%		
Real estate debt	6.0%	3.90%		
Cash equivalents	1.0%	0.50%		
Cash			1.0%	0.25%
	<u>100.0%</u>		<u>100.0%</u>	

Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.9% for ERS.

Discount Rate

The discount rate used to measure the total pension liability was 6.95% for TRS and 5.90% for ERS. 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 the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRRS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (82,535,414)</u>	<u>\$ 17,868,453</u>	<u>\$ 102,310,798</u>
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (34,724,550)</u>	<u>\$ (11,998,286)</u>	<u>\$ 6,978,159</u>

Pension Plan Fiduciary Net Position

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

	TRRS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2024	March 31, 2025
Employers' total pension liability	\$ (142,837,827)	\$ (247,600,239)
Plan fiduciary net position	<u>145,821,435</u>	<u>230,454,512</u>
Employers' net pension asset/(liability)	<u>\$ 2,983,608</u>	<u>\$ (17,145,727)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	102.09%	93.08%

Payables to the Pension Plan

For the TRRS, 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 employer and employee contributions for the fiscal year ended June 30, 2025, based on paid TRRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRRS. Accrued retirement contributions as of June 30, 2025 amounted to \$11,639,387 of employer contributions and \$1,431,599 of employee contributions.

For the ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2025, represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$1,323,690 of employer contributions. Employee contributions are remitted monthly.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

16. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a §403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. Contributions made by employees for the year ended June 30, 2025, totaled \$5,551,530. Employer contributions for the year ended June 30, 2025, totaled \$74,539.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code 457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2025 totaled \$961,817.

17. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust.

Benefits Provided – The District provides healthcare benefits and Medicare part B coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	977
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1,259</u>
	<u><u>2,236</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$523,760,613 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2023. Update procedures were used to roll forward the total OPEB liability to the measurement date.

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	various varies by pension retirement system membership
Discount rate	4.81%
Healthcare cost trend rates	6.20% decreasing to an ultimate rate of 4.14% by 2075
Retirees' share of benefit-related costs	0-50% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS Group) projected fully generationally using MP-2021.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 571,401,982</u>
Changes for the year	
Service cost	19,613,218
Interest on total OPEB liability	24,569,254
Changes of benefit terms	-
Differences between expected and actual experience	(26,434,031)
Changes in assumptions or other inputs	(50,390,218)
Benefit payments	<u>(14,999,592)</u>
	<u>(47,641,369)</u>
Balance at June 30, 2025	<u><u>\$ 523,760,613</u></u>

The following assumptions have been updated since the last valuation:

- Discount rate changed from 4.21% in 2024 to 4.81% in 2025, which caused a decrease in the liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

OPEB	1% Decrease 3.81%	Discount Rate 4.81%	1% Increase 5.81%
Total OPEB liability	<u><u>\$ (611,724,577)</u></u>	<u><u>\$ (523,760,613)</u></u>	<u><u>\$ (453,120,080)</u></u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.20% to 3.14%) or 1 percentage point higher (7.20% to 5.14%) than the current healthcare cost trend rate:

	1% Decrease 5.20% decreasing to 3.14%	Healthcare Cost Trend Rates 6.20% decreasing to 4.14%	1% Increase 7.20% decreasing to 5.14%
<u>OPEB</u>			
Total OPEB liability	<u>\$ (436,978,092)</u>	<u>\$ (523,760,613)</u>	<u>\$ (636,156,976)</u>

D. OPEB Expense and 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 \$38,689,007. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred</u>	
	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,017,602	\$ 38,842,753
Changes of assumptions or other inputs	<u>32,884,256</u>	<u>119,747,642</u>
Total	<u>\$ 78,901,858</u>	<u>\$ 158,590,395</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (3,622,259)
2027	(27,263,813)
2028	(25,163,884)
2029	(6,914,959)
2030	(5,748,731)
Thereafter	<u>(10,974,891)</u>
	<u>\$ (79,688,537)</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

18. RISK MANAGEMENT

A. General Information

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. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. Public Entity Risk Pool

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool, for its property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District participates in the New York State Public Schools Statewide Workers' Compensation Trust Plan (the Workers' Compensation Plan), a risk sharing pool, to insure workers' compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Workers' Compensation Plan's total liability for unbilled and opened claims at June 30, 2025, discounted at 2.0% was \$21,584,288. If the District leaves the plan or if the plan is terminated, the District will be liable for the District's open claims at that time. At June 30, 2025, the District's open claims, discounted at 2.0% were \$3,984,449. At June 30, 2025 the Plan assets were \$35,193,881.

19. CHANGES TO OR WITHIN REPORTING ENTITY AND CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2025, the District reclassified the following major funds to nonmajor funds: school food service fund, debt service fund, extraclassroom activities fund, and scholarships fund. This change is a voluntary presentation change made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but changes in financial activity during the current year now justify the nonmajor classification.

Additionally, for the year ended June 30 2025, the District implemented GASB Statement No. 101, which established a unified recognition and measurement model for compensated absences. Under the new guidance, accumulated time for leave available for use that was previously an unrecorded liability is now recognized.

The following is a summary of these reporting entity and accounting principle changes:

	As Reported June 30, 2024	Changes to or Within Reporting Entity	Change in Accounting Principle	As Restated June 30, 2024
Government-wide				
Compensated Absences	\$ 23,128,512	\$ -	\$ 1,313,681	\$ 24,442,193
Net Position (Deficit)	\$(291,742,223)	\$ -	\$ (1,313,681)	\$(293,055,904)

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	As Reported June 30, 2024	Changes to or Within Reporting Entity	Change in Accounting Principle	As Restated June 30, 2024
Governmental Funds				
Major Funds				
School Food Service	\$ 5,208,437	\$ (5,208,437)	\$	\$ -
Debt Service	932,591	(932,591)		-
Extraclassroom Activities	271,850	(271,850)		-
Scholarships	10,682	(10,682)		-
Nonmajor Funds	-	6,423,560		6,423,560
	<u>\$ 6,423,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,423,560</u>

20. RESTRICTED FUND BALANCE - APPROPRIATED RESERVES

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

Workers' compensation	\$ 100,000
Retirement contribution - ERS	200,000
Employee benefit accrued liability	400,000
	<u>\$ 700,000</u>

21. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$6,000,000 has been appropriated to reduce taxes for the year ending June 30, 2026.

22. RESTRICTED FOR CAPITAL RESERVE

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

	Capital Reserve		
	II	III	
Date Created	May 2017	May 2024	
Number of Years to Fund	15	15	
Maximum Funding	<u>\$ 20,000,000</u>	<u>\$ 30,000,000</u>	
			Total
General Fund			
Funding Provided	\$ 20,000,000	\$ 7,001,000	\$ 27,001,000
Interest Earnings	1,160,156	212,768	1,372,924
Use of Reserve	<u>(21,160,156)</u>	<u></u>	<u>(21,160,156)</u>
Total General Fund	<u>-</u>	<u>7,213,768</u>	<u>7,213,768</u>
Capital Projects Fund			
Funding Provided	21,160,156		21,160,156
Use of Reserve	<u>(3,406,182)</u>	<u></u>	<u>(3,406,182)</u>
Total Capital Projects Fund	<u>17,753,974</u>	<u>-</u>	<u>17,753,974</u>
Balance as of June 30, 2025	<u>\$ 17,753,974</u>	<u>\$ 7,213,768</u>	<u>\$ 24,967,742</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

23. TAX ABATEMENTS

The Town of Brookhaven Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The amount by which the District's property tax revenue was reduced by these abatements is unavailable. The District received payments totaling \$4,487,010.

24. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2025, the District encumbered the following amounts:

Restricted Fund Balance:

Capital Projects Fund

Capital projects	<u>\$ 25,780,786</u>
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Assigned: Unappropriated Fund Balance:

General Fund

General Support	4,839,873
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Instruction	2,950,924
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Pupil Transportation	49,114
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	7,839,911
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Nonmajor Funds

Food service program	399,188
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	<u>\$ 34,019,885</u>
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B. Grants

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

C. Litigation

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

25. SUBSEQUENT EVENTS

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

A. Issuance of TANs

On September 18, 2025, the District issued tax anticipation notes in the amount of \$47,000,000, which are due June 18, 2026, and bear interest at a stated rate of 4.00%. The District received premiums of \$515,590 with the borrowing to yield an effective rate of 2.5373%.

B. Issuance of BANs

On September 18, 2025, the District issued tax anticipation notes in the amount of \$67,000,000, which are due September 18, 2026, and bear interest at a stated rate of 4.00%. The District received premiums of \$963,460 with the borrowing to yield an effective rate of 2.560%.

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 147,143,327	\$ 147,143,327	\$ 146,874,241	\$ (269,086)
Other tax items	15,225,140	15,225,140	17,071,025	1,845,885
Charges for services	575,000	575,000	949,893	374,893
Use of money and property	1,940,707	1,940,707	4,305,683	2,364,976
Forfeiture	1,000	1,000		(1,000)
Sale of property and compensation for loss	11,500	11,500	13,161	1,661
Miscellaneous	2,190,000	2,190,000	3,437,010	1,247,010
Interfund revenues	50,000	50,000	91,722	41,722
Total Local Sources	167,136,674	167,136,674	172,742,735	5,606,061
State Sources	123,863,326	123,863,326	127,703,175	3,839,849
Medicaid Reimbursement	600,000	600,000	389,046	(210,954)
Federal Sources			265,367	265,367
Total Revenues	291,600,000	291,600,000	301,100,323	9,500,323
OTHER FINANCING SOURCES				
Operating Transfers In	200,000	200,000		(200,000)
Total Revenues and Other Sources	291,800,000	291,800,000	301,100,323	\$ 9,300,323
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	6,000,000	6,000,000		
Prior Year's Encumbrances	9,606,132	9,606,132		
Appropriated Reserves	2,700,000	2,700,000		
Total Appropriated Fund Balance	18,306,132	18,306,132		
Total Revenues, Other Sources, and Appropriated Fund Balance	\$ 310,106,132	\$ 310,106,132		

Note to Required Supplementary Information

Budget Basis of Accounting

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

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 240,307	\$ 248,740	\$ 188,082	\$	\$ 60,658
Central administration	512,178	525,389	480,694		44,695
Finance	1,814,881	1,831,127	1,687,328	25,497	118,302
Staff	2,122,817	2,108,102	1,981,672	1,000	125,430
Central services	26,765,176	30,854,521	24,931,291	4,813,376	1,109,854
Special items	3,128,753	3,004,358	2,888,936		115,422
Total General Support	34,584,112	38,572,237	32,158,003	4,839,873	1,574,361
Instruction					
Administration & improvement	12,948,256	12,981,104	12,450,454	155	530,495
Teaching - regular school	78,898,599	75,659,375	73,349,578	325,194	1,984,603
Programs for students with disabilities	54,343,756	54,171,394	53,097,601	320,226	753,567
Occupational education	5,011,205	5,008,100	4,995,129	61	12,910
Teaching - special schools	146,500	136,395	127,346		9,049
Instructional media	7,977,454	11,838,001	9,474,739	2,152,564	210,698
Pupil services	11,513,785	11,648,313	10,889,970	152,724	605,619
Total Instruction	170,839,555	171,442,682	164,384,817	2,950,924	4,106,941
Pupil Transportation	21,382,683	21,166,553	20,782,085	49,114	335,354
Employee Benefits	73,635,738	71,094,531	70,404,629		689,902
Debt Service					
Principal	5,380,000	4,180,000	4,167,089		12,911
Interest	3,299,044	2,750,129	2,427,655		322,474
Total Debt Service	8,679,044	6,930,129	6,594,744	-	335,385
Total Expenditures	309,121,132	309,206,132	294,324,278	7,839,911	7,041,943
OTHER FINANCING USES					
Operating Transfers Out	985,000	900,000	900,000		-
Total Expenditures and Other Uses	\$ 310,106,132	\$ 310,106,132	295,224,278	\$ 7,839,911	\$ 7,041,943
Net Change in Fund Balance			5,876,045		
Fund Balance - Beginning of Year			85,698,896		
Fund Balance - End of Year			\$ 91,574,941		

Note to Required Supplementary Information

Budget Basis of Accounting

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

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
Last Ten Fiscal Years

<i>Teachers' Retirement System</i>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.598887%	0.594112%	0.593565%	0.597114%	0.585085%	0.580070%	0.579972%	0.585477%	0.585298%	0.572562%
District's proportionate share of the net pension asset/(liability)	\$ 17,868,453	\$ (6,794,172)	\$ (11,389,879)	\$ 103,474,165	\$ (16,167,476)	\$ 15,070,251	\$ 10,487,417	\$ 4,450,205	\$ (6,268,784)	\$ 59,470,918
District's covered payroll	\$ 114,348,791	\$ 109,727,253	\$ 105,151,747	\$ 101,349,423	\$ 99,307,434	\$ 97,713,996	\$ 94,907,485	\$ 93,861,293	\$ 90,317,337	\$ 86,582,656
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.63 %	6.19 %	10.83 %	102.10 %	16.28 %	15.42 %	11.05 %	4.74 %	6.94 %	68.69 %
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount Rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%
<i>Employees' Retirement System</i>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0699783%	0.0732264%	0.0608344%	0.0654388%	0.0646448%	0.0665124%	0.0662103%	0.0701685%	0.0623527%	0.0655229%
District's proportionate share of the net pension asset/(liability)	\$ (11,998,286)	\$ (10,781,891)	\$ (13,045,348)	\$ 5,349,347	\$ (64,369)	\$ (17,612,863)	\$ (4,691,205)	\$ (2,264,648)	\$ (5,858,796)	\$ (10,516,602)
District's covered payroll	\$ 26,995,537	\$ 26,514,388	\$ 20,795,372	\$ 22,981,014	\$ 22,675,164	\$ 22,636,531	\$ 22,150,833	\$ 23,359,331	\$ 14,889,277	\$ 19,744,594
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	44.45 %	40.66 %	62.73 %	23.28 %	0.28 %	77.81 %	21.18 %	9.69 %	39.35 %	53.26 %
Plan fiduciary net position as a percentage of the total pension asset liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount Rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of District Pension Contributions
Last Ten Fiscal Years

<i>Teachers' Retirement System</i>										
	<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	\$ 11,639,387	\$ 11,160,442	\$ 11,290,934	\$ 10,304,871	\$ 9,658,600	\$ 8,798,639	\$ 9,258,146	\$ 9,233,714	\$ 10,857,017	\$ 12,123,473
Contributions in relation to the contractually required contribution	<u>11,639,387</u>	<u>11,160,442</u>	<u>11,290,934</u>	<u>10,304,871</u>	<u>9,658,600</u>	<u>8,798,639</u>	<u>9,258,146</u>	<u>9,233,714</u>	<u>10,857,017</u>	<u>12,123,473</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 115,127,468	\$ 114,348,791	\$ 109,727,253	\$ 105,151,747	\$ 101,349,423	\$ 99,307,434	\$ 97,713,996	\$ 94,907,485	\$ 93,861,293	\$ 90,317,337
Contributions as a percentage of covered payroll	10%	10%	10%	10%	10%	9%	9%	10%	12%	13%
<i>Employees' Retirement System</i>										
	<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	\$ 4,012,789	\$ 3,712,330	\$ 2,100,945	\$ 3,333,455	\$ 3,070,529	\$ 3,144,099	\$ 3,149,200	\$ 3,614,569	\$ 2,934,052	\$ 4,036,480
Contributions in relation to the contractually required contribution	<u>4,012,789</u>	<u>3,712,330</u>	<u>2,100,945</u>	<u>3,333,455</u>	<u>3,070,529</u>	<u>3,144,099</u>	<u>3,149,200</u>	<u>3,614,569</u>	<u>2,934,052</u>	<u>4,036,480</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 29,467,904	\$ 29,093,245	\$ 23,944,256	\$ 23,933,851	\$ 21,829,546	\$ 23,379,294	\$ 22,852,824	\$ 22,023,662	\$ 18,979,475	\$ 19,943,420
Contributions as a percentage of covered payroll	14%	13%	9%	14%	14%	13%	14%	16%	15%	20%

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 19,613,218	\$ 15,877,732	\$ 16,865,967	\$ 26,169,229	\$ 25,595,826	\$ 12,658,476	\$ 10,876,046	\$ 11,480,882
Interest on total OPEB liability	24,569,254	21,496,023	17,995,566	13,350,894	13,366,059	15,027,081	14,891,653	13,714,618
Changes in benefit terms	-	-	-	-	-	1,299,787	-	-
Differences between expected and actual experience	(26,434,031)	29,232,283	43,990,446	(19,925,496)	(20,151,392)	(13,215,778)	-	-
Changes of assumptions or other inputs	(50,390,218)	7,350,845	(52,154,065)	(107,816,926)	5,451,886	159,626,264	26,177,746	(19,887,707)
Benefit payments	<u>(14,999,592)</u>	<u>(14,180,515)</u>	<u>(12,998,268)</u>	<u>(11,497,456)</u>	<u>(11,576,522)</u>	<u>(11,698,044)</u>	<u>(9,122,491)</u>	<u>(9,958,550)</u>
Net change in total OPEB liability	(47,641,369)	59,776,368	13,699,646	(99,719,755)	12,685,857	163,697,786	42,822,954	(4,650,757)
Total OPEB liability, beginning	<u>571,401,982</u>	<u>511,625,614</u>	<u>497,925,968</u>	<u>597,645,723</u>	<u>584,959,866</u>	<u>421,262,080</u>	<u>378,439,126</u>	<u>383,089,883</u>
Total OPEB liability, ending	<u>\$ 523,760,613</u>	<u>\$ 571,401,982</u>	<u>\$ 511,625,614</u>	<u>\$ 497,925,968</u>	<u>\$ 597,645,723</u>	<u>\$ 584,959,866</u>	<u>\$ 421,262,080</u>	<u>\$ 378,439,126</u>
Covered employee payroll	\$ 138,847,279	\$ 123,480,269	\$ 114,801,280	\$ 107,981,800	\$ 111,568,363	\$ 112,530,863	\$ 113,801,925	\$ 103,370,946
Total OPEB liability as a percentage of covered employee payroll	377.22%	462.75%	445.66%	461.12%	535.68%	519.82%	370.17%	366.10%
Discount rate	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%
Healthcare trend rates	6.20% to 4.14% by 2075	6.50% to 4.14% by 2075	5.50% to 4.04% by 2075	5.75% to 4.04% by 2075	5.30% to 3.94% by 2075	5.40% to 3.84% by 2075	5.50% to 3.84% by 2075	5.50% to 3.84% by 2078

An additional year of historical information will be added each year subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria as set forth by GASB to pay related benefits.

LONGWOOD CENTRAL SCHOOL DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Nonmajor Governmental Funds
ASSETS					
Cash					
Unrestricted	\$ 4,737,129	\$	\$ 244,269	\$	\$ 4,981,398
Restricted		1,636,724		11,917	1,648,641
Receivables					
Due from other funds		54,586			54,586
Due from state and federal	541,302				541,302
Inventory	192,893				192,893
Total Assets	<u>\$ 5,471,324</u>	<u>\$ 1,691,310</u>	<u>\$ 244,269</u>	<u>\$ 11,917</u>	<u>\$ 7,418,820</u>
LIABILITIES					
Payables					
Accounts payable	\$ 55,033	\$	\$	\$ 500	\$ 55,533
Accrued liabilities	106,282				106,282
Due to other funds	508,762				508,762
Due to other governments	801				801
Unearned credits					
Collections in advance	12,452				12,452
Total Liabilities	<u>683,330</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>683,830</u>
FUND BALANCES					
Nonspendable: Inventory	192,893				192,893
Restricted:					
Debt		1,691,310			1,691,310
Scholarships				11,417	11,417
Assigned: Unappropriated fund balance	4,595,101		244,269		4,839,370
Total Fund Balances	<u>4,787,994</u>	<u>1,691,310</u>	<u>244,269</u>	<u>11,417</u>	<u>6,734,990</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,471,324</u>	<u>\$ 1,691,310</u>	<u>\$ 244,269</u>	<u>\$ 11,917</u>	<u>\$ 7,418,820</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Nonmajor Governmental Funds
REVENUES					
Use of money and property	\$ 92,181	\$ 758,719	\$	\$ 235	\$ 851,135
Miscellaneous	107		476,102	1,000	477,209
State sources	1,089,837				1,089,837
Federal sources	5,571,526				5,571,526
Sales	272,744				272,744
Total Revenues	7,026,395	758,719	476,102	1,235	8,262,451
EXPENDITURES					
Instruction			503,683	500	504,183
Food service program	7,446,838				7,446,838
Total Expenditures	7,446,838	-	503,683	500	7,951,021
Excess (Deficiency) of Revenues Over Expenditures	(420,443)	758,719	(27,581)	735	311,430
Fund Balances - Beginning of Year, as Previously Reported	-	-	-	-	-
Change Within Reporting Entity	5,208,437	932,591	271,850	10,682	6,423,560
Fund Balances - Beginning of Year, as Restated	5,208,437	932,591	271,850	10,682	6,423,560
Fund Balances - End of Year	\$ 4,787,994	\$ 1,691,310	\$ 244,269	\$ 11,417	\$ 6,734,990

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 300,500,000
Additions:	
Prior year's encumbrances	<u>9,606,132</u>
Original Budget	310,106,132
Budget revision	<u>-</u>
Final Budget	<u><u>\$ 310,106,132</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	<u><u>\$ 315,000,000</u></u>
Maximum allowed (4% of 2025-2026 budget)	<u><u>\$ 12,600,000</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 13,839,911
Unassigned fund balance	<u>12,599,748</u>
	\$ 26,439,659
Less:	
Appropriated fund balance	6,000,000
Encumbrances	<u>7,839,911</u>
Total adjustments	<u>13,839,911</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 12,599,748</u></u>
Actual Percentage	4.00%

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2025

PROJECT TITLE	Budget June 30, 2024	Budget June 30, 2025	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2025
			Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources	Total	
Vent replacement - WMI	\$ 94,492	\$ 94,492	\$ 94,492	\$	\$ 94,492	\$ -	\$	\$	\$ 94,492	\$ 94,492	\$ -
Vent replacement - Coram	153,218	153,218	153,218		153,218	-			153,218	153,218	-
Vent replacement - HS	202,290	202,290	202,290		202,290	-			202,290	202,290	-
Districtwide security upgrade	450,000	450,000	437,460		437,460	12,540			450,000	450,000	12,540
JHS/HS Auditorium sound system	300,000	300,000	268,804		268,804	31,196			300,000	300,000	31,196
MS Masonry	450,000	450,000	389,493		389,493	60,507			450,000	450,000	60,507
Fire Alarms - Coram	111,897	111,897	99,236		99,236	12,661			111,897	111,897	12,661
Fire Alarms - WMI	102,039	102,039	102,039		102,039	-			102,039	102,039	-
Fire Alarms - MS	236,064	236,064	227,048		227,048	9,016			236,064	236,064	9,016
Main Street Building	300,000	300,000	80,410		80,410	219,590			300,000	300,000	219,590
Communication - JHS	156,429	156,429	156,143		156,143	286			156,429	156,429	286
Communication - MS	75,362	75,362	75,122		75,122	240			75,362	75,362	240
Communication - CW Prim.	31,817	31,817	30,454		30,454	1,363			31,817	31,817	1,363
Communication - CW Inter.	47,099	47,099	46,257		46,257	842			47,099	47,099	842
Communication - Coram Prim.	26,111	26,111	20,020		20,020	6,091			26,111	26,111	6,091
Communication - Coram Inter.	22,695	22,695	20,793		20,793	1,902			22,695	22,695	1,902
Communication - Ridge Prim.	21,869	21,869	18,261		18,261	3,608			21,869	21,869	3,608
Communication - Ridge Inter.	23,985	23,985	19,034		19,034	4,951			23,985	23,985	4,951
Communication - WM Prim.	21,000	21,000	19,012		19,012	1,988			21,000	21,000	1,988
Communication - WM Inter.	23,633	23,633	18,493		18,493	5,140			23,633	23,633	5,140
Technology Center Repairs (2018-2019)	450,000	450,000	423,575		423,575	26,425			450,000	450,000	26,425
HVAC (2019-2020)	450,000	450,000			-	450,000			450,000	450,000	450,000
Site Work (2020-2021)	450,000	450,000	254,742	135,000	389,742	60,258			450,000	450,000	60,258
BUD. APP. 21-22	1,042	1,340				1,340			1,340	1,340	1,340
BUD. APP. 22-23	27,266	27,904				27,904			27,904	27,904	27,904
BUD. APP. 23-24	393,867	416,471				416,471			416,471	416,471	416,471
BUD. APP. 24-25		450,000				450,000			450,000	450,000	450,000
WMI Primary	108,419	105,286	101,664	3,622	105,286	-			105,286	105,286	-
Ridge Inter.	217,538	217,538	217,538		217,538	-			217,538	217,538	-
CW Inter.	335,621	335,643	331,803	3,840	335,643	-			335,643	335,643	-
Ridge Inter. (2022-2023)	422,734	422,097	422,097		422,097	-			422,097	422,097	-
Ridge Inter. (2023-2024)	127,402	130,110	4,000	119,630	123,630	6,480			130,110	130,110	6,480
MS (2023-2024)	166,111	143,611	12,144	119,965	132,109	11,502			143,611	143,611	11,502
	<u>6,000,000</u>	<u>6,450,000</u>	<u>4,245,642</u>	<u>382,057</u>	<u>4,627,699</u>	<u>1,822,301</u>	<u>-</u>	<u>-</u>	<u>6,450,000</u>	<u>6,450,000</u>	<u>1,822,301</u>
CEW intermediate phase 2 E-2	132,938	132,938	132,938		132,938	-	132,938			132,938	-
CEW intermediate phase 3 E-3	128,708	128,708	128,708		128,708	-	128,708			128,708	-
WMI primary phase 2 K-2	114,063	114,063	113,853		113,853	210			114,063	114,063	210
Coram inter phase 2 G-2	119,078	119,078	119,078		119,078	-	119,078			119,078	-
Ridge inter phase 2 J-2	123,440	123,440	123,440		123,440	-	123,440			123,440	-
JHS phase 2 B-2	328,614	328,614	328,572		328,572	42			328,614	328,614	42
JHS phase 3 B-3	294,665	294,665	294,665		294,665	-	294,665			294,665	-
MHS phase 2 C-2	6,392,284	6,392,284	6,392,797		6,392,797	(513)	6,392,284			6,392,284	(513)
MHS phase 1 C-1	2,172,893	2,172,893	2,172,893		2,172,893	-	32,893	2,140,000		2,172,893	-
MHS phase 2 J-2	1,314,604	1,314,604	1,314,604		1,314,604	-	1,314,604			1,314,604	-
Ridge primary phase 2 H-2	114,823	114,823	114,823		114,823	-	114,823			114,823	-
Ridge primary phase 1 H-1	507,008	507,008	507,008		507,008	-	165,678	341,330		507,008	-
Coram primary phase 2 F-2	120,629	120,629	120,629		120,629	-	120,629			120,629	-
Coram primary phase 1 F-1	733,564	733,564	733,564		733,564	-	166,464	567,100		733,564	-
CEW primary phase 2 F-2	120,027	120,027	120,027		120,027	-	120,027			120,027	-
CEW primary phase 1 F-1	699,409	699,409	699,409		699,409	-	196,509	502,900		699,409	-
HS phase 1A	2,249,942	2,249,942	2,249,942		2,249,942	-	2,249,942			2,249,942	-
HS phase 1 A-2	5,987,446	5,987,446	5,987,422		5,987,422	24	5,987,446			5,987,446	24
WMI inter phase 2 L-2	131,797	131,797	131,797		131,797	-	131,797			131,797	-
WMI inter L1	688,059	688,059	688,059		688,059	-	198,922	489,137		688,059	-
Co-Gen	1,233,667	1,233,667	1,233,436		1,233,436	231	1,233,667			1,233,667	231
District-wide technology	3,572,809	3,572,809	3,572,809		3,572,809	-	3,572,809			3,572,809	-
	<u>27,280,467</u>	<u>27,280,467</u>	<u>27,280,473</u>	<u>-</u>	<u>27,280,473</u>	<u>(6)</u>	<u>23,240,000</u>	<u>-</u>	<u>4,040,467</u>	<u>27,280,467</u>	<u>(6)</u>

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2025

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance
	June 30, 2024	June 30, 2025	Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources	Total	June 30, 2025
Smart Schools Bond Act	\$ 7,772,324	\$ 7,772,324	\$ 6,432,117	\$ 1,053,666	\$ 7,485,783	\$ 286,541	\$ -	\$ 7,772,324	\$ -	\$ 7,772,324	\$ 286,541
Demo Bus Office Phase 3	142,741	142,741	142,741		142,741	-	142,741			142,741	-
CEW Inter. Phase 2	535,661	535,661	535,661		535,661	-	393,458		142,203	535,661	-
WMI Prim. Phase 2	429,856	429,856	429,856		429,856	-	429,856			429,856	-
O&M Phase 2	246,983	246,983	246,983		246,983	-	246,983			246,983	-
Coram Inter. Phase 2	373,608	373,608	373,608		373,608	-	373,608			373,608	-
Ridge Inter. Phase 2	485,123	485,123	485,123		485,123	-	485,123			485,123	-
JHS Phase 1	3,748,118	3,748,118	3,748,118		3,748,118	-	3,748,118			3,748,118	-
MS Phase 4	2,199,135	2,199,135	2,199,135		2,199,135	-	1,293,488		905,647	2,199,135	-
Ridge Prim. Phase 2	383,145	383,145	383,145		383,145	-	383,145			383,145	-
Coram Prim. Phase 2	382,650	382,650	382,650		382,650	-	382,650			382,650	-
HS Phase 1	6,388,102	6,388,102	6,388,102		6,388,102	-	6,388,102			6,388,102	-
CEW Prim. Phase 2	733,165	733,165	733,165		733,165	-	733,165			733,165	-
WMI Inter. Phase 2	344,514	344,514	344,514		344,514	-	344,514			344,514	-
Demo CO East Phase 3	99,235	99,235	99,235		99,235	-	99,235			99,235	-
New Admin Building Phase 3	9,951,161	9,951,161	9,918,825		9,918,825	32,336	2,974,404		6,976,757	9,951,161	32,336
CEW Inter. Phase 3	190,013	190,013	190,013		190,013	-	190,013			190,013	-
CEW Prim. Phase 3	93,094	93,094	93,094		93,094	-	93,094			93,094	-
Coram Inter. Phase 3	133,179	133,179	133,179		133,179	-	133,179			133,179	-
Coram Prim. Phase 3	82,111	82,111	82,111		82,111	-	82,111			82,111	-
HS Phase 3	338,768	338,768	338,768		338,768	-	338,768			338,768	-
JHS Phase 3	102,752	102,752	102,752		102,752	-	102,752			102,752	-
MS Phase 3	135,365	135,365	135,365		135,365	-	135,365			135,365	-
Ridge Inter. Phase 3	99,930	99,930	99,930		99,930	-	99,930			99,930	-
Ridge Prim. Phase 3	94,397	94,397	94,397		94,397	-	94,397			94,397	-
WMI Inter. Phase 3	142,240	142,240	142,240		142,240	-	142,240			142,240	-
WMI Prim. Phase 3	86,679	86,679	86,679		86,679	-	86,679			86,679	-
HS Addition Phase 4	2,387,465	2,387,465	2,387,465		2,387,465	-	2,387,465			2,387,465	-
JHS Addition Phase 4	3,608,531	3,608,531	3,608,531		3,608,531	-	3,608,531			3,608,531	-
HS Reconstruction Phase 4	1,899,990	1,899,990	1,899,990		1,899,990	-	1,899,990			1,899,990	-
JHS Reconstruction Phase 4	1,809,528	1,809,528	1,809,528		1,809,528	-	1,809,528			1,809,528	-
CEW Inter. Phase 5	210,120	210,120	12,142	188,048	200,190	9,930	210,120			210,120	9,930
JHS Phase 5	122,003	122,003	122,003		122,003	-	122,003			122,003	-
HS Phase 5	1,145,130	1,145,130	1,142,511	2,320	1,144,831	299	1,145,130			1,145,130	299
CEW Prim. Phase 5	122	122	122		122	-	122			122	-
General Funds - Administration	15,386	15,386	-		-	15,386	15,386			15,386	15,386
	39,140,000	39,140,000	38,891,681	190,368	39,082,049	57,951	31,115,393	-	8,024,607	39,140,000	57,951
Gymnasium floors - capital reserve	3,300,000	3,300,000	3,299,738		3,299,738	262			3,300,000	3,300,000	262

LONGWOOD CENTRAL SCHOOL DISTRICT

Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)

For the Year Ended June 30, 2025

PROJECT TITLE	Expenditures					Methods of Financing					Fund Balance
	Budget	Budget	Prior	Current	Total	Unexpended Balance	Proceeds of	State Aid	Local Sources	Total	June 30, 2025
	June 30, 2024	June 30, 2025	Years	Year			Debt				
2024 Capital Bond											
CEW Inter - Phase 1	\$ 6,454,094	\$ 9,224,146	\$ 3,679	\$ 420,670	\$ 424,349	\$ 8,799,797	\$ 9,224,146		\$	\$ 9,224,146	\$ 8,799,797
CEW Inter - Phase 2	7,560,288	6,338,595	4,309	26,604	30,913	6,307,682	6,338,595			6,338,595	6,307,682
C.O. West - Phase 2	2,495,007	2,495,007	1,422	1,934	3,356	2,491,651	2,495,007			2,495,007	2,491,651
WMI Prim - Phase 1	3,761,188	6,192,480	2,144	211,542	213,686	5,978,794	6,192,480			6,192,480	5,978,794
WMI Prim - Phase 2	4,744,694	4,443,621	2,704	21,528	24,232	4,419,389	4,443,621			4,443,621	4,419,389
LCC - Phase 2	499,001	499,001	284	387	671	498,330	499,001			499,001	498,330
Coram Inter - Phase 1	5,207,455	8,077,933	2,968	290,000	292,968	7,784,965	8,077,933			8,077,933	7,784,965
Coram Inter - Phase 2	9,701,255	9,158,216	5,529	116,533	122,062	9,036,154	9,158,216			9,158,216	9,036,154
Ridge Inter - Phase 1	6,919,113	9,204,222	3,944	325,415	329,359	8,874,863	9,204,222			9,204,222	8,874,863
Ridge Inter - Phase 2	4,667,753	4,388,981	2,660	106,557	109,217	4,279,764	4,388,981			4,388,981	4,279,764
JHS - Phase 1	9,352,065	8,866,096	5,330	169,326	174,656	8,691,440	8,866,096			8,866,096	8,691,440
JHS - Phase 2	13,756,825	13,695,140	7,841	140,548	148,389	13,546,751	13,695,140			13,695,140	13,546,751
MS - Phase 1 Security	686,126	351,170	391	24,432	24,823	326,347	351,170			351,170	326,347
MS - Phase 1	1,839,168	1,839,168	1,048	44,927	45,975	1,793,193	1,839,168			1,839,168	1,793,193
MS - Phase 2	12,756,593	12,699,393	7,271	102,347	109,618	12,589,775	12,699,393			12,699,393	12,589,775
Ridge Prim - Phase 1	6,601,314	6,599,459	3,762	277,423	281,185	6,318,274	6,599,459			6,599,459	6,318,274
Ridge Prim - Phase 2	3,317,383	3,228,176	1,891	17,083	18,974	3,209,202	3,228,176			3,228,176	3,209,202
Coram Prim - Phase 1	7,199,000	7,494,797	4,103	303,638	307,741	7,187,056	7,494,797			7,494,797	7,187,056
Coram Prim - Phase 2	5,746,042	5,210,800	3,275	22,191	25,466	5,185,334	5,210,800			5,210,800	5,185,334
HS Fieldhouse - Phase 2	1,190,913	1,190,913	679	923	1,602	1,189,311			1,190,913	1,190,913	1,189,311
HS - Phase 1	13,096,405	11,872,090	7,464	271,180	278,644	11,593,446	11,872,090			11,872,090	11,593,446
HS CTE - Phase 1	17,647,781	16,149,993	10,058	822,751	832,809	15,317,184	729,648		15,420,345	16,149,993	15,317,184
HS - Phase 2	25,401,677	20,017,084	14,477	29,716	44,193	19,972,891	20,017,084			20,017,084	19,972,891
CEW Prim - Phase 1	5,951,330	6,435,646	3,392	258,708	262,100	6,173,546	6,435,646			6,435,646	6,173,546
CEW Prim - Phase 2	4,426,894	4,058,916	2,523	18,074	20,597	4,038,319	4,058,916			4,058,916	4,038,319
WMI Inter - Phase 1	6,422,900	7,291,429	3,661	300,056	303,717	6,987,712	7,291,429			7,291,429	6,987,712
WMI Inter - Phase 2	4,348,838	4,259,631	2,479	93,272	95,751	4,163,880	4,259,631			4,259,631	4,163,880
MS Concession Stand	624,449	624,449	356	484	840	623,609			624,449	624,449	623,609
JHS Concession Stand	624,449	624,449	356	484	840	623,609			624,449	624,449	623,609
Capital Bond 2024 - Unallocated		468,999	-		-	468,999	468,999			468,999	468,999
	193,000,000	193,000,000	110,000	4,418,733	4,528,733	188,471,267	175,139,844	-	17,860,156	193,000,000	188,471,267
Totals	\$ 276,492,791	\$ 276,942,791	\$ 80,259,651	\$ 6,044,824	\$ 86,304,475	\$ 190,638,316	\$ 229,495,237	\$ 7,772,324	\$ 39,675,230	\$ 276,942,791	190,638,316
									Less amounts to be financed by bonds Smart Schools Bond Act revenue not yet recognized		(175,139,844) (286,541)
											\$ 15,211,931

LONGWOOD CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2025

Capital assets, net	<u>\$ 215,624,805</u>
Deduct:	
Capital related liabilities:	
Accounts payable	961,749
Retainage payable	280,655
Short-term portion of bonds payable	4,270,000
Long-term portion of bonds payable	33,600,000
Premium on bonds payable	1,215,700
Short-term portion of installment purchase debt	<u>37,090</u>
	<u>40,365,194</u>
Net Investment in Capital Assets	<u><u>\$ 175,259,611</u></u>



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

To the Board of Education
Longwood Central School District
Middle Island, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longwood Central School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 29, 2025. That report included a qualified opinion on the extraclassroom activity funds based on a scope limitation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Longwood Central School District's internal control over financial reporting (internal control) as a basis for designing the 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 Longwood Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Longwood Central School District's internal control.

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to the Board of Education, Audit Committee, and management of Longwood Central School District in a separate letter dated September 29, 2025.

Purpose of This Report

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

Cullen & Danowski, LLP

Port Jefferson Station, New York
September 29, 2025

