

STATEMENT
OF
ANNUAL FINANCIAL AND OPERATING INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

DATED: DECEMBER 15, 2024



**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK**

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Sharon Dungee, Superintendent of Schools
Sharon Morgan, School Business Administrator
Claude Corbett, Senior Accountant
Denise Ridgeway, District Clerk
Nancy Johnson, District Treasurer

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* * *

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**STATEMENT OF ANNUAL FINANCIAL
AND OPERATING INFORMATION**

**CENTRAL ISLIP UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK**

The material set forth herein, including the cover page, has been prepared by the Central Islip Union Free School District, Suffolk County, New York (the "District", the "County", and the "State", respectively) in connection with its obligation to prepare and submit such material in accordance with its Continuing Disclosure Undertaking and the Official Statements having been prepared in connection with the sale and issuance of the following bond issues.

\$ 5,000,000	School District (Serial) Bonds (QSCB) – 2012
\$29,330,000	School District Refunding (Serial) Bonds – 2013
\$ 7,525,000	School District Serial Bonds – 2014
\$17,900,000	School District Serial Bonds – 2018

THE DISTRICT

Description

The District lies wholly within the Town of Islip, Suffolk County, New York. It was established as a common school district in May 1858, and as a Union Free School District on March 18, 1865. It has an area of approximately 5,597 acres. The District is located in western Suffolk County and shares the economy of this area. Major industries are in fields of aerospace, electronics, consumer goods and other light manufacturing fields. The region supports large retail sales and a host of service enterprises. The District is served by two weekly newspapers, several churches and a public library. The Central Islip station of the Long Island Railroad provides easy access to New York City, and the rest of Long Island. Water is supplied to most of the District by the Suffolk County Water Authority, electric power by PSEG Long Island, gas by the Brooklyn Union Gas Company and the telephone service by AT&T and Verizon. Police protection is provided by the Suffolk County Police and fire protection by the Central Islip Fire District. Steady employment is provided by numerous industrial establishments located in industrial parks within the district. The District has a large area zoned for industry on which a growing number of industrial parks are located and a major grocery chain maintains a large warehouse facility.

The District has several large shopping centers and multiple hotels serving the immediate area and there are small neighboring shopping centers. The District is minutes away from the Town of Islip's MacArthur Airport, which has become important to the economic life of Suffolk County. Central Islip is a short distance by car from two of the area's finest public parks, Heckscher State Park and Sunken Meadow State Park. The County and Federal Government has established its Court Complex in Central Islip. Arterial approaches to the District are excellent, since it lies midway between the Southern State Parkway and the Long Island Expressway.

District Organization

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that nearly an equal number as possible is elected to the Board each year. The President and the Vice President are selected by the Board members.

The administrative officers of the District, whose duty it is to implement the policies of the Board of Education (the "Board") and who are appointed by the Board, include the Superintendent of Schools, the Assistant Superintendent for Business, the District Clerk and the District Treasurer.

Enrollment History

The following table presents the past and current school enrollment for the District.

<u>School Year</u>	<u>School Enrollment</u>
2019-2020	7,575
2020-2021	7,343
2021-2022	7,449
2022-2023	7,704
2023-2024	7,752

Source: District Officials.

Projected Future Enrollment

The following table presents the projected future school enrollment for the District.

<u>School Year</u>	<u>School Enrollment</u>
2024-2025	7,737
2025-2026	7,700

Source: District Officials.

District Facilities

The District operates eight schools and offices; statistics relating to each are shown below.

<u>Name of School</u>	<u>Type</u>	<u>Date of Construction</u>	<u>Date of Last Addition</u>	<u>Capacity</u>
Central Islip High School	High School	1970	2002	2,350
Ralph C. Reed School	Jr. High School	1950	2002	1,200
Mulligan School	Elementary	1962	2002	1,000
Andrew T. Morrow School	Elementary	1968	1998	1,144
M.L. Mulvey School	Elementary	1957	1998	1,032
Francis J. O'Neill School	Elementary	1964	1998	956
Anthony Alfano School	Elementary	1929	1963	684
Cordello Avenue School	Elementary	1957	1962	628
500 Eastview Drive	Education	1968	-	-

Employees

The collective bargaining agents, if any, which represent employees and the dates of expirations of the various collective bargaining agreements are as follows:

<u>Name of Union</u>	<u>Expiration Date of Contract</u>	<u>Approx. No. of Members</u>
Central Islip Teachers Association	6/30/2027	605
Central Islip Principals Association	6/30/2026	32
Central Islip Chapter of CSEA	6/30/2030	424
Central Islip Psychologists Association	6/30/2023 ^a	11

a: In negotiations.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics.

<u>Year</u>	<u>Town of Islip</u>	<u>Suffolk County</u>
2000	323,504	1,419,369
2010	335,543	1,493,350
2020	339,939	1,526,344
2022	337,923	1,525,465

Source: U.S. Bureau of the Census.

Income Data

The information set forth below with respect to the Town, County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the District is necessarily representative of the Town, County and State or vice versa.

	Per Capita Money Income			
	2000	2010	2020	2022 ^a
Town of Islip	\$23,699	\$30,388	\$44,095	\$45,470
County of Suffolk	26,577	35,411	51,222	43,471
State of New York	23,389	30,791	43,078	47,421

	Median Household Income			
	2000	2010	2020	2022 ^a
Town of Islip	\$65,359	\$81,028	\$115,954	\$85,329
County of Suffolk	65,288	84,235	113,683	63,777
State of New York	43,393	55,217	74,314	79,557

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimate (2018-2022)

Selected Listing of Larger Employers in the Town of Islip ^a (As of 2023)

Name ^a	Type of Business	Estimated Number of Employees
Good Samaritan Hospital	Hospital	3,500
Southside Hospital	Hospital	2,500
Nature's Bounty	Vitamins, Minerals & Nutrients	2,100
Broadridge Financial Services	Payroll/ Data Services	1,700
Positive Promotions	Manufacturer	600
Creative Bath	Manufacturer	550
Wenner Bread Products	Food Products	550
Data Device	Electronic Components	500
Ascent Pharmaceuticals	Manufacturer	460
Allstate	Insurance	385
J. Kings Food Services	Food Products	350
David Peyser Sportswear	Manufacturer/ Distributor	350
Whitson's	Manufacturer	350
Blackman Plumbing Supplies	Distributor	340
Noris Food Services	Manufacturer	320

Source: Town of Islip.

a. Not necessarily representative of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the Town of Islip. The information set forth below with respect to such Town, County and State is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the District is necessarily representative of the Town, County or State or vice versa.

Annual Averages:	Town of Islip (%)	County of Suffolk (%)	State of New York (%)
2019	3.8	3.7	4.0
2020	8.8	8.5	10.0
2021	5	4.9	7.2
2022	3.1	3.1	4.4
2023	3.2	3.2	4.2
2024 (YTD Average)	3.6	3.7	4.4

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE DISTRICT

Computation of Debt Limit and Debt Contracting Margin (As of December 15, 2024)

In Town of:	Assessed Valuation	State Equalization Rate	Full Valuation
Islip (2023-2024) ^a	\$348,837,253	7.28%	\$4,791,720,508
Debt Limit - 10% of Average Full Valuation			\$479,172,051
Inclusions: ^b			
Outstanding Bonds			\$14,150,000
Bond Anticipation Notes			0
Total Indebtedness			\$14,150,000
Exclusions (Estimated Building Aid) ^c			11,255,954
Total Net Indebtedness			2,894,046
Net Debt Contracting Margin			\$476,278,004
Per Cent of Debt Contracting Margin Exhausted			0.60%

a. The latest completed assessment roll for which a State Equalization Rate has been established.

b. Tax Anticipation Notes, Energy Performance Lease and Revenue Anticipation Notes are not included in computation of the debt contracting margin of the District.

c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Details of Short-Term Indebtedness Outstanding

As of the date of this Statement, the District has no short-term indebtedness outstanding.

Trend of Outstanding Indebtedness

	Fiscal Year Ending June 30:				
	2020	2021	2022	2023	2024
Bonds	\$34,230,000	\$28,720,000	\$23,615,000	\$18,375,000	\$16,275,000
BANs	0	0	0	0	0
Total	\$34,230,000	\$28,720,000	\$23,615,000	\$18,375,000	\$16,275,000

Debt Service Requirements - Outstanding Bonds ^a

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	2,125,000	471,075	2,596,075
2026	2,125,000	403,125	2,528,125
2027	2,125,000	335,175	2,460,175
2028	2,125,000	267,225	2,392,225
2029	1,775,000	206,625	1,981,625
2030	1,200,000	162,000	1,362,000
2031	1,200,000	126,000	1,326,000
2032	1,200,000	90,000	1,290,000
2033	1,200,000	54,000	1,254,000
2034	1,200,000	18,000	1,218,000
Totals:	\$16,275,000	\$2,133,225	\$18,408,225

a. Does not reflect payments made to date in the current fiscal year.

Debt Service Requirements – 2012 Energy Performance Contract ^a

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$958,982	\$67,669	\$1,026,651
2026	988,500	38,150	1,026,650
2027	505,604	7,723	513,327
Totals:	\$2,453,086	\$113,542	\$2,566,628

a. Does not reflect payments made to date in the current fiscal year.

Debt Service Requirements – 2012 Energy Performance Contract ^a

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$479,916	\$92,914	\$572,830
2026	486,900	85,930	572,830
2027	493,985	78,845	572,830
2028	501,174	71,656	572,830
2029	508,468	64,362	572,830
2030	515,867	56,963	572,830
2031	523,374	49,456	572,830
2032	530,991	41,839	572,830
2033	538,718	34,112	572,830
2034	546,558	26,272	572,830
2035	554,511	18,319	572,830
2036	562,582	10,248	572,830
2037	284,353	2,062	286,415
Totals:	<u>\$6,527,397</u>	<u>\$632,978</u>	<u>\$7,160,375</u>

a. Does not reflect payments made to date in the current fiscal year.

Operating Leases ^a

The District leases various equipment under non-cancelable leases. The following is a summary of the upcoming lease payments.

Fiscal Year Ending June 30:	Total
2025	<u>\$24,265</u>
Totals:	<u>\$24,265</u>

a. Does not include payments made to date.

Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes, which borrowing is necessitated by the schedule of real property tax payments.

The following is a history of such tax anticipation note borrowings for the five most recent fiscal years:

Fiscal Year Ending June 30:	Amount	Issue	Maturity
2019	\$18,000,000	11/01/2018	06/27/2019
2020	16,000,000	10/24/2019	06/25/2020
2021	24,000,000	10/01/2020	06/25/2021
2022	24,000,000	10/14/2021	06/24/2022
2023	6,000,000	12/01/2022	04/05/2023

Authorized and Unissued Debt

As of the date of this Statement, the District has authorized and unissued debt in the amount of \$4,250,000 for the construction of alterations and improvements to district school buildings.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	06/27/2024	1.12	\$13,790,904	\$11,636,147
Town of Islip	04/17/2024	7.65	16,131,555	14,428,255
Village of Islandia	05/31/2023	50.00	0	0
Central Islip Fire Districts (Est.)	12/31/2023	100.00	9,842,527	9,842,527
Totals:			\$39,764,986	\$35,906,928

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios

(As of December 15, 2024)

	Amount	Per Capita ^a	Percentage of Full Value ^b
Total Direct Debt	\$14,150,000	\$355	0.30%
Net Direct Debt	2,894,046	73	0.06%
Total Direct & Applicable Total Overlapping Debt	53,914,986	1,354	1.13%
Net Direct & Applicable Net Overlapping Debt	38,800,975	975	0.81%

a. The current estimated population of the District is 39,807.

b. The full valuation of taxable real property in the District for 2023-24 is \$4,791,720,508.

FINANCES OF THE DISTRICT

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2024. A copy of such report is included herein as Appendix B.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, school lunch fund and special purpose fund. In addition, a capital projects fund is used to record capital facility projects, while an agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

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

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

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

Source: Audited Financials of the District.

Budget Process

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See "*The Levy Limit Law*" herein).

On May 16, 2023, a majority of the voters of the District approved the District's budget for the 2023-2024 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2022-2023 and 2023-2024 may be found in Appendix A, herein.

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "*Tax Information*" herein.

State Aid

The District receives appropriations from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. State aid is a substantial percentage of the revenues of the District. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available for such payment.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See “STAR – School Tax Exemption” herein).

The State’s 2021-22 Enacted Budget and the State’s 2022-23 Enacted Budget included significant amounts of federal funding. The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. Reductions in federal funding levels could have an a materially adverse impact on the State budget. To date, school districts have received significant funding because of the COVID-19 pandemic from federal stimulus packages and reinstatement of State Foundation Aid, however, the additional federal funding is anticipated to cease after the 2023-24 fiscal year. In addition, the State is reviewing the Foundation Aid formula for potential revisions. Any revisions to the formula may result in a reduction of State aid to the District.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of State’s current fiscal year budget and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State’s current fiscal year 2024-25 Enacted Budget was adopted on April 22, 2024. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State’s financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the state, including the District.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance law to provide operating funds by borrowing in anticipation of the receipt of uncollected State Aid.

The following table sets forth the percentage of the District’s General Fund revenue comprised of State aid for each of the fiscal years 2020 through 2024, and the amounts budgeted for 2025.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2020	\$219,065,225	\$115,729,709	52.83
2021	221,030,738	113,167,583	51.20
2022	232,278,502	128,993,863	55.53
2023	257,254,416	153,422,044	59.64
2024	301,044,823	193,424,604	64.25
2025 (Budgeted) ^a	252,864,607	152,898,797	60.47

Source: Audited Financial Statements of the District (2020-2024) and Adopted Budgets of the District (2025).

a. Budgeted revenues include the application of reserves and fund balance.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments. The final phase-in of Foundation Aid as originally projected is now complete. (See also “School district fiscal year (2023-2024)” under the subheading “*Events Affecting State Aid to New York School Districts*” herein.)

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding State funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students’ Educational Rights v. New York State case, following through on the State’s commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State’s prior opposition to providing this much-needed funding to our students. The litigation, was initiated in 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

See also “*State Aid*” herein.

State Aid History

School district fiscal year (2021-2022): The State’s 2021-22 Enacted Budget provided \$29.5 billion in State funding to school districts for the 2021-22 school year, the highest level of State aid ever at that time. This represented an increase of \$3.0 billion or 11.3 percent compared to the 2020-21 school year and included a \$1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase was targeted to high-need school districts.

The State’s 2021-22 Enacted Budget also programmed \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction,

address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget used \$105 million federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever at that time. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year and included a \$1.5 billion or 7.7 percent Foundation Aid increase.

The State's 2022-23 Enacted Budget also programed \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget provided \$34.5 billion in State funding to school districts for the 2023-24 school year, the highest level of State aid ever at that time. This represented an increase of \$3 billion or 9.6 percent compared to the 2022-23 school year, and included a \$2.6 billion or 12.1 percent Foundation Aid increase, which fully funded Foundation Aid for the first time in its 17-year history and ensured that each school district received a minimum year-to-year increase of 3 percent.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula. Any revisions to the formula could result in a reduction in State aid to the District.

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

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

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

The most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 0.0%; Environmental Score: 46.7%). More information on the FSMS may be obtained from the Office of the State Comptroller.

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Employee Pension System

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. ERS employees contribute 3% of their salaries and TRS employees contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. This new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 5 years; the time period for calculation of final average salary is three years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

The employer contribution rates for required pension payments to the TRS and ERS continue to be higher than the statutory minimum contribution. To help mitigate the impact of such contributions, various forms of legislation have been enacted from time to time that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

The following chart represents the TRS and ERS required contributions for each of the last five completed fiscal years and the amounts budgeted for the current fiscal year.

Fiscal Year Ending June 30:	TRS	ERS
2020	\$7,451,026	\$3,993,017
2021	7,900,630	3,931,457
2022	8,421,855	3,909,904
2023	9,234,266	3,056,444
2024	8,920,557	3,852,741

Source: District Officials.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost. Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District’s total OPEB liability at June 30, 2023 is as follows:

<u>Changes in the Total OPEB Liability</u>	<u>Fiscal Year Ending June 30, 2024:</u>
Balance as of June 30, 2023	\$444,314,305
Changes for the year:	
Service cost	14,177,062
Interest	16,526,729
Changes of Benefit Terms	
Demographic Losses	(622,987)
Changes in assumptions or other inputs	(18,600,395)
Benefit payments	(11,511,718)
Net Changes	<u>(31,309)</u>
Total OPEB liability as of June 30, 2024	<u>\$444,282,996</u>

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Town of Brookhaven. Assessment valuations are determined by the Town assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations; however, see “*The Tax Levy Limit Law*” herein for a discussion of certain statutory limitation that have been imposed.

The following table sets forth the amount of the District’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2020 through 2024, inclusive and for the amounts budgeted for the 2025 fiscal year.

<u>Fiscal Year Ending June 30:</u>	<u>Total Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2020	\$219,065,225	\$85,579,349	39.07
2021	221,030,738	86,772,038	39.26
2022	232,278,502	86,877,880	37.40
2023	248,768,021	85,153,846	34.23
2024	301,044,823	85,818,746	28.51
2025 (Budgeted)	252,864,607	91,315,810	36.11

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted revenues include the application of reserves and fund balance.

Tax Collection Procedure

Property taxes for the District, together with County, Town and Fire District taxes, are collected by the Town Tax Receiver. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and 10% after May 31.

The Town Tax Receiver distributes the collected tax money to the Town, fire and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receiver and any deficiency in tax collection is the County's liability. The District thereby is assured of full tax collection.

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the Credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The State’s 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to \$250,000, compared with a \$500,000 limit for the credit.

Approximately 8% of the District’s 2023-2024 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8% of the District’s 2024-2025 school tax levy is expected to be exempted by the STAR program and the District is expected to receive full reimbursement of such exempt taxes from the State in January 2025. (See “State Aid” herein).

Valuations, Rates and Levies

The following table sets forth District’s assessed and full valuations, tax rates and levies for each of the years 2020 through 2024

<u>Fiscal Year Ending June 30:</u>	<u>Assessed Valuation</u>	<u>State Equal. Rate (%)</u>	<u>Full Valuation</u>	<u>Tax Rate Per \$1,000 Assessed Valuation (Homestead)</u>	<u>Tax Levy</u>
2020	\$341,711,504	10.77	\$3,172,808,765	220.01	\$93,532,200
2021	348,565,802	9.70	3,593,461,876	215.47	93,315,810
2022	349,360,767	9.28	3,764,663,438	215.47	93,316,175
2023	345,586,216	8.28	4,173,746,570	219.71	91,316,590
2024	348,837,253	7.28	4,791,720,508	218.70	91,315,810

Source: Tax Rate Sheets for the Town of Islip.

**Selected Listing of Large Taxable Properties in the District
2022-2023 Assessment Roll**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
New York State	Hospital & Parkland	\$10,890,947
Island Headquarters	Office Building	8,755,000
Islandia SC I LL	Shopping Center	8,249,700
Hawthorne Court	Apartments	4,013,000
LIPA	Utility	3,570,029
Crest Hauppauge	Commercial	2,115,100
Roman Catholic	Church	2,013,400
Target Corporation	Commercial	1,700,400
Islip CSC LLC	Warehouse & Distribution Facility	1,575,000
HD Development	Commercial	1,549,600
	Total ^a	<u><u>\$44,432,176</u></u>

Source: Town Assessment Roll

a. Represents 12.74% of the Assessed Valuation of the District for 2022-2023.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents, or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial. As such the district employs adequate cyber liability insurance coverage and implements risk management practices.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

RATING

Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 has assigned a rating of "A1" to the outstanding bonds of the District. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

Munistat Services, Inc., Port Jefferson Station, New York has assisted the District as municipal advisor in certain matters with respect to the preparation of this Statement.

ADDITIONAL INFORMATION

Additional information may be obtained from the office of Sharon Morgan, School Business Administrator, Central Islip Union Free School District, 50 Wheeler Road, Central Islip, NY 11722, Phone (631) 348-5209, Fax (631) 348-5110 and email: smorgan@centralislip.k12.ny.us or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: <https://www.munistat.com>.

So far as any statements made in this Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Statement is submitted only in connection with the District's "Continuing Disclosure Undertaking" pursuant to Rule 15c2-12 as promulgated by the Securities and Exchange Commission and may not be reproduced or used in whole or in part for any other purpose.

Central Islip Union Free School District

December 15, 2024

APPENDIX A

FINANCIAL INFORMATION

Balance Sheet
General Fund

	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Assets:			
Cash - Unrestricted	\$ 39,161,647	\$ 37,152,906	\$ 35,671,494
Cash - Restricted	38,093,536	66,881,820	125,951,481
State and Federal Aid	2,677,849	3,181,189	2,584,299
Due from Other Governments	4,590,660	4,743,384	5,709,022
Due from Other Funds	7,603,992	8,931,303	14,824,498
Accounts Receivable	<u>21,991</u>	<u>125,175</u>	<u>273,507</u>
Total Assets	<u>\$ 92,149,675</u>	<u>\$ 121,015,777</u>	<u>\$ 185,014,301</u>
Liabilities:			
Accounts Payable	\$ 760,510	\$ 2,393,799	\$ 1,454,493
Accrued Liabilities	13,981,893	14,418,998	15,276,409
Due to Other Governments	4,011,175	4,281,408	5,919,283
Due to Other Funds	10,013,673	5,663,566	7,794,215
Due to Teachers' Retirement System	10,107,345	11,053,027	10,934,650
Due to Employees' Retirement System	1,086,289	1,091,288	1,328,673
Compensated Absences Payable	3,432,636	3,939,482	3,829,268
Other Liabilities	<u>1,920</u>	<u>1,920</u>	<u>1,920</u>
Total Liabilities	<u>43,393,521</u>	<u>42,843,488</u>	<u>46,536,991</u>
Deferred Inflows of Resources:			
New York State Supplemental Aid	486,939	486,940	
Unavailable Revenue- State Aid			486,940
Unavailable Revenue- Charges for Services			293,947
Foster Tuition	<u>407,356</u>	<u>459,472</u>	<u>407,356</u>
Total Deferred Inflows of Resources	<u>894,295</u>	<u>946,412</u>	<u>780,887</u>
Fund Balances:			
Restricted	38,093,536	66,881,820	125,587,415
Assigned	543,035	284,466	556,487
Unassigned	<u>9,225,288</u>	<u>10,059,591</u>	<u>11,552,521</u>
Total Fund Balances	<u>47,861,859</u>	<u>77,225,877</u>	<u>137,696,423</u>
Total Liabilities Deferred Inflows of Resources & Fund Balances	<u>\$ 92,149,675</u>	<u>\$ 121,015,777</u>	<u>\$ 185,014,301</u>

NOTE: This schedule is NOT audited
Source: Audited Financial Statements (2022-2024)

**Statement of Revenues, Expenditures and Fund Balance
General Fund**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Real Property Taxes	\$ 85,579,349	\$ 86,772,038	\$ 86,877,880	\$ 85,153,846	\$ 85,818,746
Other Tax Items - Including STAR Reimbursement	13,577,962	13,341,753	12,519,685	11,959,958	11,261,413
Charges for Services	574,911	471,135	586,543	844,784	468,503
Use of Money and Property	379,257	142,798	33,678	1,894,157	4,949,306
Sale of Property & Compensation for Loss	1,083,744	1,367,926	1,112,332	1,612,577	2,091,332
Miscellaneous	1,479,535	3,523,454	1,577,932	1,504,761	2,350,503
Interfund Revenues	14,409	6,165			
State Sources	115,729,709	113,167,583	128,993,863	153,422,044	193,424,604
Medicaid Reimbursement	646,349	459,845	563,205		
Federal Sources		1,778,041	13,384	862,289	680,416
Total Revenues	<u>219,065,225</u>	<u>221,030,738</u>	<u>232,278,502</u>	<u>257,254,416</u>	<u>301,044,823</u>
Expenditures:					
General Support	22,451,819	22,560,971	24,017,278	24,908,923	26,464,277
Instruction	113,239,162	111,303,522	114,038,139	119,304,356	124,705,044
Pupil Transportation	11,111,249	9,940,289	11,708,742	11,839,297	12,426,550
Community Service					203
Employee Benefits	55,851,229	58,627,977	59,497,037	63,818,921	68,962,722
Debt Service	8,052,787	7,845,700	7,318,057	7,689,538	4,323,606
Total Expenditures	<u>210,706,246</u>	<u>210,278,459</u>	<u>216,579,253</u>	<u>227,561,035</u>	<u>236,882,402</u>
Excess (Deficiency) of Revenues Over Expenditures	8,358,979	10,752,279	15,699,249	29,693,381	64,162,421
Other Financing Sources and Uses					
Premiums on Obligations				3,840	
Operating Transfers In		161,294	167,640	89,394	81,687
Operating Transfers (Out)	(1,342,745)	(1,492,279)	(6,577,821)	(422,597)	(3,773,562)
Total Other Sources (Uses)	<u>(1,342,745)</u>	<u>(1,330,985)</u>	<u>(6,410,181)</u>	<u>(329,363)</u>	<u>(3,691,875)</u>
Excess (Deficiency) of Revenues and Other Sources Over Over Expenditures and Other (Uses)	7,016,234	9,421,294	9,289,068	29,364,018	60,470,546
Fund Balances - Beginning of Year	22,135,263	29,151,497	38,572,791	47,861,859	77,225,877
Prior Period Adjustment					
Fund Balances - End of Year	<u>\$ 29,151,497</u>	<u>\$ 38,572,791</u>	<u>\$ 47,861,859</u>	<u>\$ 77,225,877</u>	<u>\$ 137,696,423</u>

NOTE: This schedule is NOT audited
Source: Audited Financial Statements (2020-2024)

Budget Summaries
Fiscal Year Ending June 30:

	Budget <u>2023-2024</u>	Budget <u>2024-2025</u>
Revenues:		
Real Property Taxes	\$ 91,315,310	\$ 91,315,810
PILOT (IDA) Funds	5,600,000	4,500,000
Charges for Services	2,750,000	2,299,000
Medicaid Reimbursements	595,000	595,000
Health Services	105,000	105,000
Insurance Recoveries	100,000	100,000
Miscellaneous	1,051,000	1,051,000
State Sources	<u>147,251,711</u>	<u>152,898,797</u>
 Total Revenues	 \$ <u><u>248,768,021</u></u>	 \$ <u><u>252,864,607</u></u>
Expenditures:		
General Support	\$ 26,119,147	\$ 27,689,667
Instruction	130,235,653	130,256,876
Pupil Transportation	13,704,426	14,141,338
Employee Benefits	68,298,539	72,128,596
Debt Service	8,463,256	4,838,130
Interfund Transfers	<u>1,947,000</u>	<u>3,810,000</u>
 Total Expenditures	 \$ <u><u>248,768,021</u></u>	 \$ <u><u>252,864,607</u></u>

Source: Adopted School Budgets

The 2023-2024 budget was approved by the voters of the District on May 16, 2023.

The 2024-2025 budget was approved by the voters of the District on May 21, 2024.

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

[▶ Click Here For 2024 Audit](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED BY THE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORTS IN THIS STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.