

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

ROCKY POINT UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Rocky Point Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Rocky Point Union Free School District (the "District") as of and for the fiscal 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 fiduciary fund of the District, as of June 30, 2025, and the respective changes in financial position for the fiscal 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in the District's total other post-employment benefits liability and related ratios on pages 1 through 17 and 60 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 15, 2025

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The following is a discussion and analysis of the Rocky Point Union Free School District’s (the “District”) financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current fiscal year are discussed in comparison with the prior fiscal year, with an emphasis placed on the current fiscal year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- On the District-Wide Financial Statements, revenues decreased by 0.19% mainly due to a decrease in operating grants and contributions as a result of the end of the period of performance for COVID-19 federal grants during the fiscal year, partially offset by increases in real property taxes and other tax items and charges for services.
- On the District-Wide Financial Statements, expenses decreased by 2.80%. The changes in expenses include the effects of the actuarial valuations for the pension systems and other post-employment benefits obligation.
- The District’s total net deficit, as reflected in the District-Wide Financial Statements, increased by \$5,634,645 based on the accrual basis of accounting.
- The District’s fund balance in the general fund, as reflected in the Fund Financial Statements, decreased by \$2,687,915 based on the modified accrual basis of accounting.
- The District’s allowable tax levy increase for 2025-2026 was computed to be 0.85% using the prescribed formula. The District appropriated \$1,896,285 of fund balance and allocated \$543,000 from existing reserve and restricted funds, thereby reducing the burden on District taxpayers.
- The District’s 2025-2026 budget includes funding for student programs and services, including extracurricular and occupational education programs, building renovations, and an investment in capital assets. On May 20, 2025, the proposed 2025-2026 budget was approved by 77% of the District’s voters, demonstrating continued support from the community.
- The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective July 1, 2024. See the accompanying notes to financial statements for additional information regarding the effects of the change in accounting principle.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

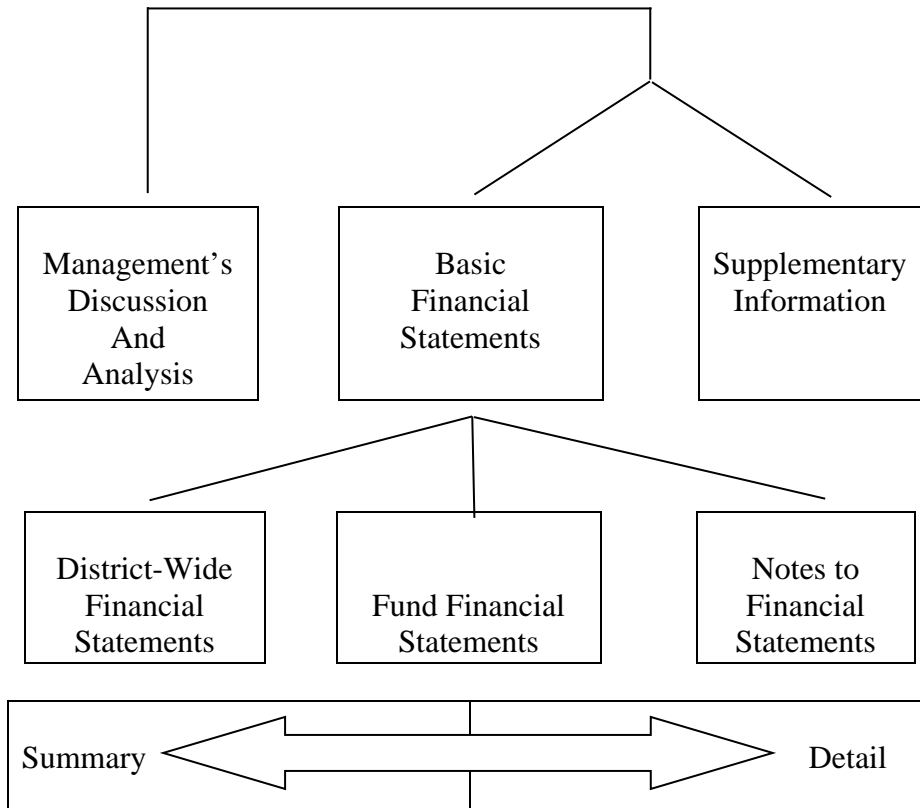
This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

Organization of the District’s Annual Financial Report



**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the fiscal year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the fiscal year; regardless of when cash is received or paid	Revenues for which cash is received during the fiscal year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the fiscal year, regardless of when cash is received or paid

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A) District-Wide Financial Statements:

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

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

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

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

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

- Capitalize current outlays for capital assets and intangible lease assets;
- Report long-term debt as a liability;
- Depreciate capital assets, amortize intangible lease assets, and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* represents net position with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- *Unrestricted net position* includes net amounts that do not meet any of the above restrictions.

B) Fund Financial Statements:

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

The District has two kinds of funds:

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

See the Table below for a comparison of the Statement of Net Position as of June 30, 2025 and 2024. The balances presented as of June 30, 2025 include the effects of the implementation of GASB Statement No. 101. The balances presented as of June 30, 2024 reflect the balances as previously reported and do not reflect the effects of the change in accounting principle.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Condensed Statement of Net Position-Governmental Activities

	2025	2024	Increase/ (Decrease)	Total Percentage Change
Current assets	\$ 36,196,324	\$ 34,829,784	\$ 1,366,540	3.92%
Non-current assets	66,543,901	61,194,729	5,349,172	8.74%
Total Assets	<u>102,740,225</u>	<u>96,024,513</u>	6,715,712	6.99%
Deferred outflows of resources	<u>48,718,917</u>	<u>64,411,280</u>	<u>(15,692,363)</u>	(24.36%)
Total Assets and Deferred Outflows of Resources	<u>151,459,142</u>	<u>160,435,793</u>	<u>(8,976,651)</u>	(5.60%)
Current liabilities	7,683,223	6,451,307	1,231,916	19.10%
Long-term liabilities	<u>203,746,315</u>	<u>214,936,982</u>	<u>(11,190,667)</u>	(5.21%)
Total Liabilities	<u>211,429,538</u>	<u>221,388,289</u>	<u>(9,958,751)</u>	(4.50%)
Deferred inflows of resources	<u>64,567,539</u>	<u>58,185,427</u>	<u>6,382,112</u>	10.97%
Total Liabilities and Deferred Inflows of Resources	<u>275,997,077</u>	<u>279,573,716</u>	<u>(3,576,639)</u>	(1.28%)
Net Position (Deficit)				
Net investment in capital assets	51,372,283	51,230,540	141,743	0.28%
Restricted	26,698,305	20,867,590	5,830,715	27.94%
Unrestricted (deficit)	<u>(202,608,523)</u>	<u>(191,236,053)</u>	<u>(11,372,470)</u>	5.95%
Total Net Position (Deficit)	<u>\$ (124,537,935)</u>	<u>\$ (119,137,923)</u>	<u>\$ (5,400,012)</u>	4.53%
Net position (deficit), beginning of year, as previously reported		\$ (119,137,923)		
Change in accounting principle		<u>234,633</u>		
Net position (deficit), beginning of year, as restated		<u>\$ (118,903,290)</u>		

Current assets increased by \$1,366,540, or 3.92%, primarily as a result of an increase in cash and cash equivalents, partially offset by a decrease in receivables.

Non-current assets (capital assets net of accumulated depreciation, intangible lease assets net of accumulated amortization, and net pension asset – proportionate share – teachers' retirement system) increased by \$5,349,172, primarily due to changes in the actuarial valuation for the Teachers' Retirement System pension plan. Refer to the accompanying notes to financial statements for further discussion.

The change in deferred outflows of resources represents amortization of pension-related items and the District's contribution subsequent to the measurement date, and deferred outflows related to total

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

other post-employment benefits obligation (OPEB) as discussed in the accompanying notes to financial statements.

Current liabilities increased by \$1,231,916, or 19.10%, primarily due to increases in accounts payable, due to teachers' retirement system, and due to employees' retirement system, partially offset by decreases in due to other governments, other liabilities, and collections in advance.

Long-term liabilities decreased by \$11,190,667, or 5.21%, primarily attributable to debt principal payments made and decreases in the total other post-employment benefit obligation and net pension liability – proportionate share – teachers' retirement system due to actuarial valuations, partially offset by increases in lease liability and net pension liability – proportionate share – employees' retirement system. Of note, the compensated absences payable balance included within the long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

The change in deferred inflows of resources represents amortization of pension related items and the amortization of deferred inflows related to other post-employment benefits obligation, as discussed in the accompanying notes to financial statements.

The net investment in capital assets relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, construction in progress, buildings and improvements, improvements other than buildings, and furniture, equipment, and vehicles, net of accumulated depreciation and accumulated amortization, related debt (net of any unspent proceeds), capital-related accounts payable, and any unamortized items (discounts, premiums, or deferred amounts on refunding).

The restricted net position refers to the District's reserves as well as amounts restricted for debt service, scholarships and donations, and capital projects.

The unrestricted net deficit in the amount of \$202,608,523 relates to the balance of the District's net deficit. This number does not include the District's reserves, which are classified as restricted net position. Additionally, in accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the total OPEB obligation. This unrestricted net deficit increased by \$11,372,470, or 5.95%. Of note, the unrestricted deficit balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

B. Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. The activity for fiscal year 2025 reflects the effects of the implementation of GASB Statement No. 101 as detailed in the accompanying notes to financial statements. A summary of the results of operations for the fiscal years ended June 30, 2025, and 2024 is as follows:

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change in Net Position from Operating Results

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Total Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 821,698	\$ 727,880	\$ 93,818	12.89%
Operating grants and contributions	3,863,473	5,585,469	(1,721,996)	(30.83%)
Capital grants	-	11,301	(11,301)	(100.00%)
General revenues				
Real property taxes and other tax items	56,887,723	55,380,640	1,507,083	2.72%
State sources	36,028,787	35,954,805	73,982	0.21%
Other	1,854,669	1,985,057	(130,388)	(6.57%)
Total Revenues	<u>99,456,350</u>	<u>99,645,152</u>	<u>(188,802)</u>	<u>(0.19%)</u>
Expenses				
General support	15,037,825	14,623,060	414,765	2.84%
Instruction	81,309,081	85,287,278	(3,978,197)	(4.66%)
Pupil transportation	6,691,136	6,199,790	491,346	7.93%
Debt service - interest	435,484	457,638	(22,154)	(4.84%)
Food service program	1,617,469	1,545,082	72,387	4.68%
Total Expenses	<u>105,090,995</u>	<u>108,112,848</u>	<u>(3,021,853)</u>	<u>(2.80%)</u>
(Increase) decrease in net deficit	<u>\$ (5,634,645)</u>	<u>\$ (8,467,696)</u>	<u>\$ 2,833,051</u>	<u>(33.46%)</u>

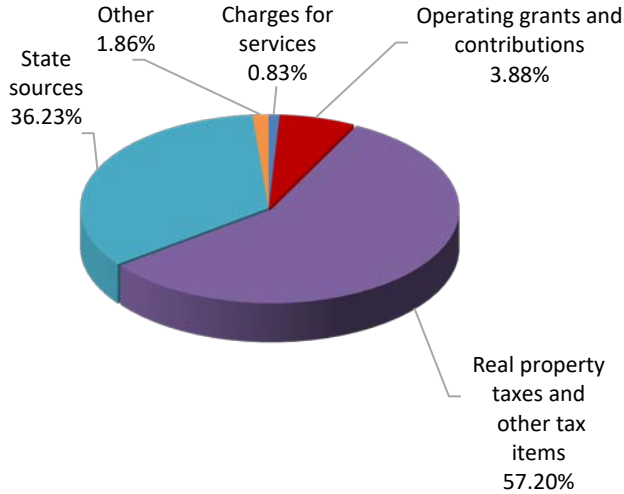
The District's fiscal year 2025 revenues totaled \$99,456,350. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 57.20% and 36.23%, respectively, of total revenue. The remainder came from charges for services, operating grants and contributions, and other miscellaneous sources.

Real property taxes and other tax items increased by \$1,507,083, or 2.72%, primarily due to the tax levy increase. Operating grants and contributions decreased by \$1,721,996, or 30.83%, which is primarily attributable to decreases in state and federal grant expenses incurred and thus, revenues recorded.

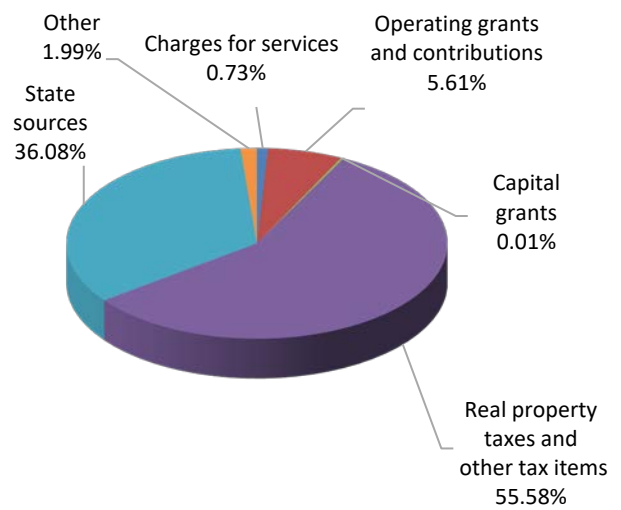
The total cost of all programs and services totaled \$105,090,995 for fiscal year 2025. These expenses are predominantly related to instruction, which accounted for 77.37% of total costs. Total expenses decreased by \$3,021,853, or 2.80%. This was primarily attributable to a decrease in instruction expenses. The changes in expenses include the effects of the actuarial valuations for the pension systems and total other post-employment benefits obligation.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

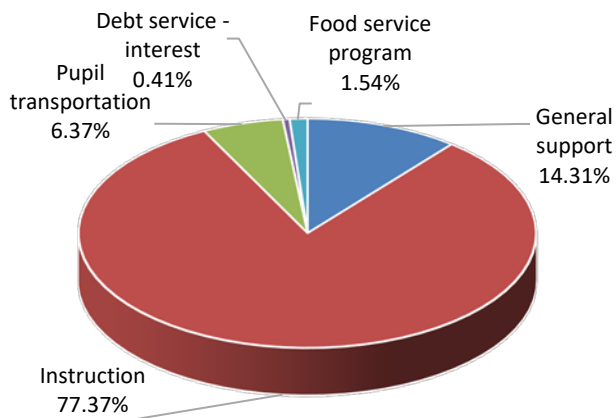
Revenues for Fiscal Year 2025



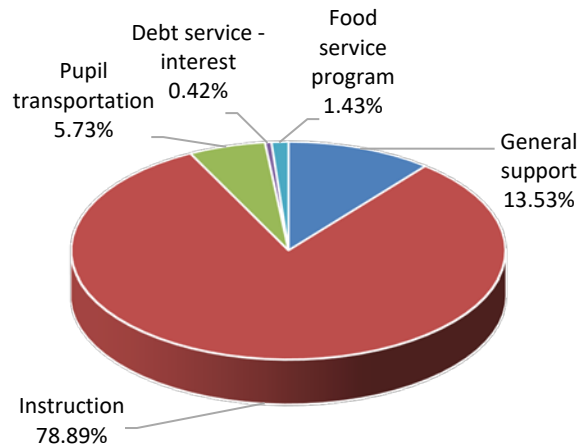
Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2025



Expenses for Fiscal Year 2024



4. FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

As of June 30, 2025, the District's combined governmental funds reported a total fund balance of \$28,523,209. See the following Table for more information.

	2025	2024	Increase (Decrease)	Total Percentage Change
General Fund				
Non-spendable	\$ 60,000	\$ 60,000	\$ -	0.00%
Restricted:				
Workers' compensation	1,637,573	1,786,383	(148,810)	(8.33%)
Unemployment insurance	444,454	451,515	(7,061)	(1.56%)
Retirement contribution:				
Teachers' retirement system	3,496,754	3,399,343	97,411	2.87%
Employees' retirement system	3,559,497	3,897,802	(338,305)	(8.68%)
Property loss	31,628	30,747	881	2.87%
Liability	46,052	44,769	1,283	2.87%
Employee benefit accrued liability	3,746,233	3,836,301	(90,068)	(2.35%)
Capital	1,070,651	2,983,002	(1,912,351)	(64.11%)
Assigned:				
Appropriated	1,896,285	1,989,381	(93,096)	(4.68%)
Unappropriated	525,588	785,186	(259,598)	(33.06%)
Unassigned	3,935,865	3,874,066	61,799	1.60%
Total fund balance - general fund	<u>20,450,580</u>	<u>23,138,495</u>	<u>(2,687,915)</u>	(11.62%)
School Food Service Fund				
Non-spendable	36,744	32,061	4,683	14.61%
Assigned - unappropriated	646,108	553,571	92,537	16.72%
Total fund balance - school food service fund	<u>682,852</u>	<u>585,632</u>	<u>97,220</u>	16.60%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	48,282	49,092	(810)	(1.65%)
Assigned - unappropriated	62,552	65,567	(3,015)	(4.60%)
Total fund balance - miscellaneous special revenue fund	<u>110,834</u>	<u>114,659</u>	<u>(3,825)</u>	(3.34%)
Debt Service Fund				
Restricted for debt service	214,130	106,857	107,273	100.39%
Total fund balance - debt service fund	<u>214,130</u>	<u>106,857</u>	<u>107,273</u>	100.39%
Capital Projects Fund				
Restricted for capital projects	6,790,767	4,281,779	2,508,988	58.60%
Restricted for unspent bond proceeds	-	166,176	(166,176)	(100.00%)
Assigned - unappropriated	274,046	-	274,046	100.00%
Unassigned	-	(3,957)	3,957	(100.00%)
Total fund balance - capital projects fund	<u>7,064,813</u>	<u>4,443,998</u>	<u>2,620,815</u>	58.97%
Total Fund Balance - All funds	<u>\$ 28,523,209</u>	<u>\$ 28,389,641</u>	<u>\$ 133,568</u>	0.47%

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A. General Fund

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2025 and 2024 is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 53,218,262	\$ 51,343,213	\$ 1,875,049	3.65%
Other tax items	3,669,461	4,037,427	(367,966)	(9.11%)
Charges for services	400,136	248,088	152,048	61.29%
Use of money and property	645,231	695,207	(49,976)	(7.19%)
Sale of property and compensation for loss	70,732	65,554	5,178	7.90%
Miscellaneous	936,804	1,053,151	(116,347)	(11.05%)
State sources	36,028,787	35,954,805	73,982	0.21%
Federal sources	93,706	128,059	(34,353)	(26.83%)
Total Revenues	95,063,119	93,525,504	1,537,615	1.64%
Other Financing Sources				
Premium on obligations	16,920	7,735	9,185	118.75%
Operating transfers in	23,350	229,589	(206,239)	(89.83%)
Total Other Financing Sources	40,270	237,324	(197,054)	(83.03%)
Expenditures				
General support	11,846,394	11,147,039	699,355	6.27%
Instruction	50,978,612	49,141,111	1,837,501	3.74%
Pupil transportation	6,447,022	5,932,864	514,158	8.67%
Employee benefits	22,725,067	21,870,674	854,393	3.91%
Debt service - principal	337,900	270,938	66,962	24.71%
Debt service - interest	168,609	137,238	31,371	22.86%
Total Expenditures	92,503,604	88,499,864	4,003,740	4.52%
Other Financing Uses				
Operating transfers out	5,287,700	6,764,127	(1,476,427)	(21.83%)
Total Other Financing Uses	5,287,700	6,764,127	(1,476,427)	(21.83%)
Net Change in Fund Balances	\$ (2,687,915)	\$ (1,501,163)	\$ (1,186,752)	79.06%

The fund balance in the general fund decreased by \$2,687,915 due to expenditures and other financing uses (including operating transfers out) exceeding revenues and other financing sources based on the modified accrual basis of accounting.

Revenues and other financing sources increased as compared to prior fiscal year primarily due to the following:

- Real property taxes increased due to an increase in the tax levy in accordance with the voter approved budget.
- Charges for services increased mainly due to an increase in tuition from other districts.
- State sources increased primarily due to increases in excess cost aid and lottery aid.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Expenditures and other financing uses increased as compared to prior fiscal year primarily due to the following:

- Instruction increased primarily due to salary increases and increases in special education and pupil services expenditures.
- Employee benefits increased primarily due to increases in health insurance costs.
- The overall increase in expenditures was partially offset by a reduction in operating transfers out resulting from a decrease in amounts approved for transfer from the capital reserve and a decrease in transfers to the debt service fund for principal and interest on bonds payable.

The following is a summary of the general fund’s restricted fund balance activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Workers' compensation	\$ 1,786,383	\$ -	\$ 51,190	\$ (200,000)	\$ 1,637,573
Unemployment insurance	451,515		12,939	(20,000)	444,454
Retirement contribution					
Teachers' retirement system	3,399,343		97,411		3,496,754
Employees' retirement system	3,897,802		111,695	(450,000)	3,559,497
Property loss	30,747		881		31,628
Liability	44,769		1,283		46,052
Employee benefit accrued liability	3,836,301		109,932	(200,000)	3,746,233
Capital	2,983,002	985,271	2,378	(2,900,000)	1,070,651
Total Restricted Fund Balance	<u>\$ 16,429,862</u>	<u>\$ 985,271</u>	<u>\$ 387,709</u>	<u>\$ (3,770,000)</u>	<u>\$ 14,032,842</u>

B. Special Aid Fund

The fund balance in the special aid fund remained at \$0, as revenues and expenditures are recognized in equal amounts each year. Expenditures consist primarily of reimbursable grant programs, as well as a transfer from the general fund for the District’s share of costs for the summer program for students with disabilities. Revenues and expenditures in the special aid fund decreased primarily due to the end of the period of performance for COVID-19 federal grants during the fiscal year, partially offset by an increase in state grants related to an increase in students with disabilities serviced during the fiscal year and an increase in the District’s state funded universal pre-kindergarten (UPK) program.

C. School Food Service Fund

The fund balance in the school food service fund increased by \$97,220 due to food service program revenues exceeding expenditures and other financing uses. This was mainly due to increases in federal and state reimbursements due to more meals served to students.

D. Miscellaneous Special Revenue Fund

The fund balance in the miscellaneous special revenue fund decreased by \$3,825 due to expenditures exceeding revenues for extraclassroom activities and scholarships and donations.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

E. Debt Service Fund

The fund balance in the debt service fund increased by \$107,273, primarily due to interest earnings and the transfer of unspent bond proceeds from the capital projects fund exceeding the amount transferred to the general fund.

F. Capital Projects Fund

The fund balance in the capital projects fund increased by \$2,620,815, primarily due to the voter approved appropriation of capital reserve in the amount of \$2,900,000 and the budgeted interfund transfer from the general fund of \$933,910 exceeding capital outlay and other financing uses.

GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 BUDGET

The District’s general fund original budget for the fiscal year ended June 30, 2025 was \$96,851,654. This amount was increased by encumbrances carried forward from the prior fiscal year in the amount of \$785,186 and budget revisions of \$2,900,000 for appropriation of the capital reserve and \$13,257 for gifts and donations, which resulted in a final budget of \$100,550,097. The majority of the funding came from real property taxes and other tax items, including STAR revenue, of \$56,880,841.

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

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

Opening, unassigned fund balance	\$ 3,874,066
Revenues and other financing sources over budget	1,097,859
Expenditures, other financing uses, and encumbrances under budget	2,233,205
Interest allocated to the reserves	(387,709)
Funding of reserves	(985,271)
Assigned - appropriated for June 30, 2026 budget	(1,896,285)
Closing, unassigned fund balance	<u><u>\$ 3,935,865</u></u>

The \$3,874,066 represents the portion of the District’s June 30, 2024 fund balance that was retained as unassigned fund balance.

The revenues and other financing sources over budget of \$1,097,859 were primarily related to real property taxes, use of money and property, and miscellaneous sources (see supplemental schedule for detail).

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The expenditures, other financing uses, and encumbrances under budget of \$2,233,205 were primarily related to general support, instruction, and employee benefits (see supplemental schedule for detail).

Interest in the amount of \$387,709 was allocated to the reserves as detailed on page 12.

The District funded the reserves in the amount of \$985,271 as detailed on page 12.

The assigned, appropriated fund balance of \$1,896,285 is the amount the District has chosen to use to partially fund its operating budget for 2025-2026.

The closing, unassigned fund balance represents the fund balance retained by the District that is not restricted or assigned for the subsequent year’s budget. This amount is limited to 4% of the 2025-2026 budget. At June 30, 2025, the District’s unassigned fund balance is within the statutory limit (see supplemental schedule for detail).

5. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

A. Capital Assets and Intangible Lease Assets:

At June 30, 2025, the District had invested in a broad range of capital assets and intangible lease assets, including land, buildings and improvements, site improvements, machinery and equipment, and vehicles. The net decrease in capital assets is due to depreciation expense and loss on disposals exceeding capital asset additions. The net increase in intangible lease assets is due to lease additions exceeding amortization expense. A summary of the District’s capital assets, net of accumulated depreciation, and intangible lease assets, net of accumulated amortization, at June 30, 2025 and 2024, is as follows:

Category	2025	2024	Increase (Decrease)
Land	\$ 737,304	\$ 737,304	\$ -
Construction in progress	1,255,591	341,739	913,852
Buildings and improvements	56,118,485	57,526,824	(1,408,339)
Furniture, equipment, and vehicles	2,391,251	2,291,355	99,896
Total capital assets, net	<u>\$ 60,502,631</u>	<u>\$ 60,897,222</u>	<u>\$ (394,591)</u>
Intangible lease assets, net	<u>\$ 428,986</u>	<u>\$ 297,507</u>	<u>\$ 131,479</u>

Depreciation expense and loss on disposals was \$2,171,039 and amortization expense was \$352,659 for fiscal year ended June 30, 2025. See the accompanying notes to financial statements for further details.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

B. Long-Term Debt:

At June 30, 2025, the District's long-term debt included bonds payable and lease liability. The decrease in long-term debt represents principal payments made, partially offset by new leases entered into during the fiscal year. More detailed information about the District's long-term debt is presented in the accompanying notes to financial statements.

A summary of outstanding debt at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Bond payable	\$ 8,770,000	\$ 9,825,000	\$ (1,055,000)
Lease liability	425,997	279,759	146,238
Total	<u>\$ 9,195,997</u>	<u>\$ 10,104,759</u>	<u>\$ (908,762)</u>

C. Other Long-Term Liabilities:

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

	2025	2024	Increase (Decrease)
Compensated absences payable	\$ 5,249,459	\$ 5,342,256	\$ (92,797)
Termination benefits payable	524,105	553,700	(29,595)
Workers' compensation claims payable	318,454	263,768	54,686
Net pension liabilities - proportionate share			
Teachers' retirement system	-	2,160,856	(2,160,856)
Employees' retirement system	3,597,098	3,451,027	146,071
Total other post-employment benefits obligation	<u>184,861,202</u>	<u>193,060,616</u>	<u>(8,199,414)</u>
Total	<u>\$ 194,550,318</u>	<u>\$ 204,832,223</u>	<u>\$ (10,281,905)</u>

The change in other long-term liabilities is primarily due to changes in actuarial valuations for pensions and total other post-employment benefits obligation. The compensated absences payable balance included within the other long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101. More detailed information about the District's other long-term liabilities is presented in the accompanying notes to financial statements.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

6. FACTORS BEARING ON THE DISTRICT’S FUTURE

A. Subsequent Fiscal Year’s Budget

The general fund budget, the only fund with a legally adopted budget, was approved by the voters for \$98,396,622 on May 20, 2025 for the fiscal year ending June 30, 2026. This represents an increase of \$1,544,968, or 1.60%, from the previous fiscal year’s budget.

B. Future Budgets

Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

- Student enrollment trends.
- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
- Increased costs associated with meeting the requirements for instructional services, including special education services.
- Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
- Rising inflation as well as interest rates, which can affect all areas of the budget.
- The property tax cap as discussed below.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of two percent or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District’s tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District’s tax levy cap, the threshold required for approval would be 60 percent of the vote.

D. Subsequent Events

On September 18, 2025, the District issued a tax anticipation note in the amount of \$4,250,000, which is due June 24, 2026, and bears an interest rate of 3.75%, premium of \$32,470, and a net interest cost of \$89,718.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

7. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Mr. Christopher A. Van Cott
Assistant Superintendent for Business
Rocky Point Union Free School District
90 Rocky Point – Yaphank Rd.
Rocky Point, NY 11778

ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current assets		
Cash and cash equivalents		
Unrestricted		\$ 12,026,346
Restricted		21,086,021
Receivables		
Accounts receivable		8,529
Due from state and federal		2,112,308
Due from other governments		866,376
Inventory		36,744
Prepaid items		60,000
Non-current assets		
Capital assets		
Not being depreciated		1,992,895
Being depreciated, net of accumulated depreciation		58,509,736
Intangible lease assets, net of accumulated amortization		428,986
Net pension asset - proportionate share - teachers' retirement system		5,612,284
TOTAL ASSETS		<u>102,740,225</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions		15,345,752
Other post-employment benefits		33,373,165
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>48,718,917</u>

LIABILITIES

Payables		
Accounts payable		1,675,613
Accrued liabilities		149,056
Accrued interest payable		10,108
Due to other governments		1,212,035
Due to teachers' retirement system		3,912,683
Due to employees' retirement system		410,491
Compensated absences payable		181,711
Other liabilities		112,887
Unearned credits		
Collections in advance		18,639
Long-term liabilities		
Due and payable within one year		
Bonds payable		1,080,000
Lease liability		255,743
Compensated absences payable		44,500
Termination benefits payable		461,300
Total other post-employment benefits obligation		4,822,630
Due and payable after one year		
Bonds payable		7,690,000
Lease liability		170,254
Compensated absences payable		5,204,959
Termination benefits payable		62,805
Workers' compensation claims payable		318,454
Net pension liability - proportionate share - employees' retirement system		3,597,098
Total other post-employment benefits obligation		180,038,572
TOTAL LIABILITIES		<u>211,429,538</u>

DEFERRED INFLOWS OF RESOURCES

Pensions		7,129,525
Other post-employment benefits		57,438,014
TOTAL DEFERRED INFLOWS OF RESOURCES		<u>64,567,539</u>

NET POSITION

Net investment in capital assets		51,372,283
Restricted		26,698,305
Unrestricted (deficit)		(202,608,523)
TOTAL NET POSITION (DEFICIT)		<u>\$ (124,537,935)</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	
General support	\$ (15,037,825)	\$ -	\$ -	\$ (15,037,825)
Instruction	(81,309,081)	445,694	2,170,754	(78,692,633)
Pupil transportation	(6,691,136)		214,179	(6,476,957)
Debt service - interest	(435,484)			(435,484)
Food service program	(1,617,469)	376,004	1,478,540	237,075
TOTAL FUNCTIONS AND PROGRAMS	\$ (105,090,995)	\$ 821,698	\$ 3,863,473	(100,405,824)
 GENERAL REVENUES				
Real property taxes				53,218,262
Other tax items - including STAR reimbursement				3,669,461
Use of money and property				753,480
Sale of property and compensation for loss				70,732
Miscellaneous				960,151
State sources				36,028,787
Federal sources				70,306
TOTAL GENERAL REVENUES				94,771,179
CHANGE IN NET POSITION				(5,634,645)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				(119,137,923)
CHANGE IN ACCOUNTING PRINCIPLE				234,633
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED				(118,903,290)
TOTAL NET POSITION (DEFICIT) - END OF YEAR				\$ (124,537,935)

**ROCKY POINT UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Special Aid	School Food Service	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	\$ 10,829,253	\$ 117,159	\$ 1,005,618	\$ 57,696	\$ 16,620	\$ -	\$ 12,026,346
Restricted	16,295,459			48,282	214,130	4,528,150	21,086,021
Receivables							
Accounts receivable	6,265		2,264				8,529
Due from other funds	1,395,659	44,680		4,856		2,900,000	4,345,195
Due from state and federal	1,212,382	795,255	104,671				2,112,308
Due from other governments	866,376						866,376
Inventories			36,744				36,744
Prepaid items	60,000						60,000
TOTAL ASSETS	<u>\$ 30,665,394</u>	<u>\$ 957,094</u>	<u>\$ 1,149,297</u>	<u>\$ 110,834</u>	<u>\$ 230,750</u>	<u>\$ 7,428,150</u>	<u>\$ 40,541,519</u>
LIABILITIES, AND FUND BALANCES							
Payables							
Accounts payable	\$ 1,295,022	\$ 16,668	\$ 586	\$ -	\$ -	\$ 363,337	\$ 1,675,613
Accrued liabilities	140,491	1,750	6,815				149,056
Due to other funds	2,949,536	938,386	440,653		16,620		4,345,195
Due to other governments	1,211,993		42				1,212,035
Due to teachers' retirement system	3,912,683						3,912,683
Due to employees' retirement system	410,491						410,491
Compensated absences payable	181,711						181,711
Other liabilities	112,887						112,887
Unearned revenues							
Collections in advance		290	18,349				18,639
TOTAL LIABILITIES	<u>10,214,814</u>	<u>957,094</u>	<u>466,445</u>	<u>-</u>	<u>16,620</u>	<u>363,337</u>	<u>12,018,310</u>
FUND BALANCES							
Non-spendable:							
Inventories			36,744				36,744
Prepaid items	60,000						60,000
Restricted							
Workers' compensation	1,637,573						1,637,573
Unemployment insurance	444,454						444,454
Retirement contribution - teachers' retirement system	3,496,754						3,496,754
Retirement contribution - employees' retirement system	3,559,497						3,559,497
Property loss	31,628						31,628
Liability	46,052						46,052
Employee benefit accrued liability	3,746,233						3,746,233
Capital	1,070,651					6,790,767	7,861,418
Debt service					214,130		214,130
Scholarships and donations				48,282			48,282
Assigned							
Appropriated fund balance	1,896,285						1,896,285
Unappropriated fund balance	525,588		646,108	62,552		274,046	1,508,294
Unassigned	3,935,865						3,935,865
TOTAL FUND BALANCES	<u>20,450,580</u>	<u>-</u>	<u>682,852</u>	<u>110,834</u>	<u>214,130</u>	<u>7,064,813</u>	<u>28,523,209</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,665,394</u>	<u>\$ 957,094</u>	<u>\$ 1,149,297</u>	<u>\$ 110,834</u>	<u>\$ 230,750</u>	<u>\$ 7,428,150</u>	<u>\$ 40,541,519</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Governmental Fund Balances \$ 28,523,209

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

The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds is reported as expenditures in the fiscal 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 of capital assets	\$ 108,368,626	
Accumulated depreciation	<u>(47,865,995)</u>	60,502,631

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

Original present value cost of leased assets	\$ 777,711	
Accumulated amortization	<u>(348,725)</u>	428,986

Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset - proportionate share at year end for teachers' retirement system was: 5,612,284

Deferred outflows of resources - The Statement of Net Position recognizes expenses incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and other post-employment benefits that will be recognized as expenses in future periods amounted to:

Deferred outflows related to pensions	\$ 15,345,752	
Deferred outflows related to other post-employment benefits	<u>33,373,165</u>	48,718,917

Deferred inflows of resources - The Statement of Net Position recognizes revenues and expenses under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to pensions	\$ (7,129,525)	
Deferred inflows related to other post-employment benefits	<u>(57,438,014)</u>	(64,567,539)

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of:

Accrued interest payable		(10,108)
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable	\$ (8,770,000)	
Lease liability	(425,997)	
Compensated absences payable	(5,249,459)	
Termination benefits payable	(524,105)	
Workers' compensation claims payable	(318,454)	
Net pension liability - proportionate share - employees' retirement system	(3,597,098)	
Total other post-employment benefits obligation	<u>(184,861,202)</u>	(203,746,315)

Total Net Position		<u>\$ (124,537,935)</u>
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ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Food Service	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	\$ 53,218,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,218,262
Other tax items	3,669,461						3,669,461
Charges for services	400,136			45,558			445,694
Use of money and property	645,231		12,098	940	95,211		753,480
Sale of property and compensation for loss	70,732						70,732
Miscellaneous	936,804		6,427	4,050			947,281
State sources	36,028,787	1,107,278	643,056				37,779,121
Federal sources	93,706	1,250,205	724,559				2,068,470
Surplus food			110,925				110,925
Sales - food service			376,004				376,004
TOTAL REVENUES	<u>95,063,119</u>	<u>2,357,483</u>	<u>1,873,069</u>	<u>50,548</u>	<u>95,211</u>	<u>-</u>	<u>99,439,430</u>
EXPENDITURES							
General support	11,846,394						11,846,394
Instruction	50,978,612	2,274,163		54,373			53,307,148
Pupil transportation	6,447,022	214,179					6,661,201
Employee benefits	22,725,067		175,764				22,900,831
Debt service - principal	337,900				1,055,000		1,392,900
Debt service - interest	168,609				267,931		436,540
Food service program			1,599,735				1,599,735
Capital outlay						1,662,171	1,662,171
TOTAL EXPENDITURES	<u>92,503,604</u>	<u>2,488,342</u>	<u>1,775,499</u>	<u>54,373</u>	<u>1,322,931</u>	<u>1,662,171</u>	<u>99,806,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,559,515</u>	<u>(130,859)</u>	<u>97,570</u>	<u>(3,825)</u>	<u>(1,227,720)</u>	<u>(1,662,171)</u>	<u>(367,490)</u>
OTHER FINANCING SOURCES AND (USES)							
Premium on obligations	16,920						16,920
Operating transfers in	23,350	130,859			1,357,993	3,833,910	5,346,112
Operating transfers (out)	(5,287,700)		(350)		(23,000)	(35,062)	(5,346,112)
Leases						484,138	484,138
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(5,247,430)</u>	<u>130,859</u>	<u>(350)</u>	<u>-</u>	<u>1,334,993</u>	<u>4,282,986</u>	<u>501,058</u>
NET CHANGE IN FUND BALANCES	(2,687,915)	-	97,220	(3,825)	107,273	2,620,815	133,568
FUND BALANCES - BEGINNING OF YEAR	<u>23,138,495</u>	<u>-</u>	<u>585,632</u>	<u>114,659</u>	<u>106,857</u>	<u>4,443,998</u>	<u>28,389,641</u>
FUND BALANCES - END OF YEAR	<u>\$ 20,450,580</u>	<u>\$ -</u>	<u>\$ 682,852</u>	<u>\$ 110,834</u>	<u>\$ 214,130</u>	<u>\$ 7,064,813</u>	<u>\$ 28,523,209</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances \$ 133,568

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

Long-Term Revenue and Expense Differences

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

Change in compensated absences payable	\$	(141,836)	
Change in termination benefits payable		29,595	
Change in workers' compensation claims payable		<u>(54,686)</u>	(166,927)

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

Teachers' retirement system	\$	549,585	
Employees' retirement system		318,957	
Other post-employment benefits		<u>(7,116,534)</u>	(6,247,992)

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.

Capital outlay	\$	1,776,448	
Depreciation expense and loss on disposals		<u>(2,171,039)</u>	(394,591)

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

Intangible lease capital outlay	\$	484,138	
Amortization expense		<u>(352,659)</u>	131,479

Long-Term Debt Differences

Repayment of bond 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. 1,055,000

Proceeds from leases are recorded as revenue in the governmental funds, but not in the Statement of Activities. (484,138)

Repayment of lease liability 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. 337,900

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this 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. Accrued interest changed by: 1,056

Changes in Net Position \$ (5,634,645)

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	<u>Custodial</u>
ASSETS	
Due from governmental funds	\$ -
TOTAL ASSETS	-
LIABILITIES	
Due to other governments - Hallock Homestead Museum	\$ -
TOTAL LIABILITIES	-
NET POSITION	
Restricted	-
TOTAL NET POSITION	\$ -

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected - Hallock Homestead Museum	\$ 35,000
TOTAL ADDITIONS	35,000
DEDUCTIONS	
Real property taxes disbursed - Hallock Homestead Museum	35,000
TOTAL DEDUCTIONS	35,000
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	\$ -

ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity:

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

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District’s financial reporting entity. 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 financial statements.

B) Joint Venture:

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

BOCES is organized under §1950 of the New York State 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 the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

C) Basis of Presentation:

District-Wide Financial Statements:

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

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

School Food Service Fund: This fund is used to account for the activities of the District's food service operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or donor stipulations, including scholarships and donations. Other activities included in this fund are extraclassroom activities funds.

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

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

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund, which is used to account for real property taxes collected on behalf of other organizations (Hallock Homestead Museum) and disbursed to other organizations (Hallock Homestead Museum).

D) Measurement Focus and Basis of Accounting:

The District-Wide and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and contributions, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and contributions and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on bonds payable and lease liabilities, compensated absences, termination benefits, claims and judgments, net pension costs, and other post-employment benefits, if applicable, which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

E) Real Property Taxes:

Calendar

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

Enforcement

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

F) Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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 the accompanying notes to financial statements.

G) Interfund Transactions:

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

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to the accompanying notes to financial statements for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenditures/expenses during the reporting period. Actual results could

ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of useful lives of capital assets and intangible lease assets, lease liability, compensated absences payable, termination benefits payable, net pension assets/liabilities, total other post-employment benefits obligation, and potential contingent liabilities, if applicable.

I) Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J) Receivables:

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

K) Inventory and Prepaid Items:

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

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

Prepaid 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 prepaid items in both the District-Wide and Fund Financial Statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

L) Capital Assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$1,000	20-50 years
Improvements other than buildings	\$1,000	20-50 years
Furniture, equipment, and vehicles	\$1,000	5-20 years

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

M) Intangible Lease Assets:

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

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

N) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District reported deferred outflows of resources related to pensions and other post-employment benefits in the District-Wide Statement of Net Position, which are detailed further in the accompanying notes to financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reported deferred inflows of resources related to pensions and other post-employment benefits in the District-Wide Statement of Net Position, which are detailed further in the accompanying notes to financial statements.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 a liability 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, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

The District has issued and redeemed TANs totaling \$4,000,000 in the fiscal year ended June 30, 2025. See the accompanying notes to financial statements for further detail.

P) Collections in Advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance consisted of grant advances in the special aid fund and prepaid student account balances in the school food service fund.

Q) Employee Benefits – Compensated Absences and Termination Benefits:

Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employees' 403(b) plan.

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

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes both:

- Leave that is expected to be used in future periods, and
- Leave that will be paid out upon termination or retirement, per contractual agreements.

The liability is calculated based on employees' current pay rates and any additional salary-related costs that are directly associated with the payment of compensated absences.

In the Fund Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are reported for those employees who have obligated themselves to separate from service with the District by June 30th.

Termination Benefits

Termination benefits consists of estimated eligible retirement incentive payments as specified in collective bargaining agreements or individual employment contracts. The liability is calculated on years of service plus rates in effect at year end.

In the Fund Financial Statements, a liability is reported only for payments due for termination benefits for those employees who have obligated themselves to separate from service with the District by June 30th.

R) Other Benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting.

ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 debt service fund.

In the Fund Financial Statements, governmental funds recognize bond premiums during the current period as other financing sources, with the face amount of debt issued 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. The District does not have any bond premiums as of and for the fiscal year ending June 30, 2025.

T) Equity Classifications:

District-Wide Financial Statements:

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

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) and intangible lease assets (present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets, net of any unexpended debt proceeds and capital-related accounts payable, and including any unamortized items (discounts, premiums, deferred amounts).

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

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

As of June 30, 2025, the governmental activities reported a deficit in unrestricted net position of \$202,608,523. 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 liability on the Statement of Net Position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liability on a “pay as you go” basis, has resulted in an unrestricted net deficit.

Fund Financial Statements:

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2025, the non-spendable fund balance includes prepaid items recorded in the general fund of \$60,000 and inventory recorded in the school food service fund of \$36,744.

Restricted fund balance - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has established the following as restricted:

Workers' Compensation Reserve

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenditures authorized by Article 2 of the Workers' Compensation Law, and for payment of expenditures 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. This 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 fund. This reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount

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funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the general fund.

Property Loss Reserve and Liability Reserves

According to Education Law §1709 (8) (c), these reserves must be used to pay for liability claims incurred. Separate funds for liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.

Capital Reserve

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

Restricted for Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investment of funds, and proceeds of premiums on borrowings can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the debt service fund.

Restricted for Scholarships and Donations

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

Committed fund balance – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level

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of decision-making authority (i.e., the Board). The District has no committed fund balances as of June 30, 2025.

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies.

This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.

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

New York State Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent fiscal year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2025 is within the legal limits.

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 modifications to the applied or transferred fund balance must be approved by formal action of the Board.

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

Order of Use of Fund Balance:

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (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.

U) New Accounting Pronouncement:

GASB has issued Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective for the District for the fiscal year ended June 30, 2025. This Statement establishes updated recognition and measurement guidance for liabilities related to compensated absences. Under GASB Statement No. 101, liabilities for compensated absences are recognized when leave is attributable to services already rendered, payment is probable, and the amount can be reasonably estimated. This includes both accumulated leave expected to be

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used in future periods and leave payable upon an employee's separation from service. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

As disclosed in the accompanying notes to financial statements, the cumulative effect of the adoption of GASB Statement No. 101 (change in accounting principle) was a decrease to the compensated absences payable balance of \$234,633 and a decrease in the net deficit of \$234,633 in the Statement of Net Position as of July 1, 2024.

V) Future Accounting Pronouncements:

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as intangible lease assets, subscription assets, and assets held for sale. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

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

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

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

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

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

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 vs. Statement of Activities fall into one of three broad categories. The amounts shown below represent:

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Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on Fund Financial Statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items or financing of intangible lease assets in the Fund Financial Statements and depreciation expense or amortization expense on those items as recorded in the Statement of Activities.

Long-term debt differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial Statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted.

The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent fiscal year. Appropriations authorized for the current fiscal year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur, subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations are listed in the other supplementary information - schedule of change from adopted budget to final budget – general fund.

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

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

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

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

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

All District deposits were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

Restricted Cash and Cash Equivalents

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

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for various purposes. Restricted cash and cash equivalents at June 30, 2025 included \$21,086,021 within the governmental funds for general reserves, as well as amounts restricted for scholarships and donations, debt service, and capital projects purposes.

B) Investments:

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

C) Investment Pool:

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2025, the District held \$11,175,027 in investments consisting of various investments in securities issued by the United States and its agencies.

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund	\$ 11,175,027	\$ 11,175,027

Total investments of the cooperative at June 30, 2025, are \$13,530,190,970, which consisted of \$3,819,691,492 in repurchase agreements, and \$9,710,499,478 in U.S. Government Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2025 are \$591,627,356.

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

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2025, the District was billed \$9,759,150 for BOCES administrative and program costs. The District’s share of BOCES aid amounted to \$1,517,126. Financial statements for the BOCES are available from the BOCES administrative office at Eastern Suffolk Board of Cooperative Educational Services James Hines Administration Center, 201 Sunrise Highway, Patchogue, NY 11772.

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NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2025 consisted of:

General fund	
Excess cost aid	\$ 1,187,880
Homeless program aid	24,502
Total - General fund	<u>1,212,382</u>
Special aid fund	
Federal grants	320,623
State grants	474,632
Total - Special aid fund	<u>795,255</u>
School food service fund	
Federal reimbursements	54,607
State reimbursements	50,064
Total - School food service fund	<u>104,671</u>
Total - All funds	<u><u>\$ 2,112,308</u></u>

District management has deemed these amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2025 consisted of amounts due for BOCES aid in the amount of \$682,707 and other government agencies in the amount of \$183,669.

District management has deemed these amounts to be fully collectible.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 737,304	\$ -	\$ -	\$ 737,304
Construction in progress	341,739	1,333,276	(419,424)	1,255,591
Total capital assets not being depreciated	<u>1,079,043</u>	<u>1,333,276</u>	<u>(419,424)</u>	<u>1,992,895</u>
Capital assets that are depreciated:				
Buildings and improvements	99,217,184	57,498	341,739	99,616,421
Improvements other than buildings	1,219,243	-	-	1,219,243
Furniture, equipment, and vehicles	6,348,331	385,674	(1,193,938)	5,540,067
Total capital assets being depreciated	<u>106,784,758</u>	<u>443,172</u>	<u>(852,199)</u>	<u>106,375,731</u>
Less accumulated depreciation:				
Buildings and improvements	41,690,360	1,807,576	-	43,497,936
Improvements other than buildings	1,219,243	-	-	1,219,243
Furniture, equipment, and vehicles	4,056,976	285,778	(1,193,938)	3,148,816
Total accumulated depreciation	<u>46,966,579</u>	<u>2,093,354</u>	<u>(1,193,938)</u>	<u>47,865,995</u>
Total capital assets being depreciated, net	<u>59,818,179</u>	<u>(1,650,182)</u>	<u>341,739</u>	<u>58,509,736</u>
Total capital assets, net	<u>\$ 60,897,222</u>	<u>\$ (316,906)</u>	<u>\$ (77,685)</u>	<u>\$ 60,502,631</u>

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

General support	\$ 259,453
Instruction	1,893,852
Food service program	<u>17,734</u>
Total depreciation expense and loss on disposals	<u>\$ 2,171,039</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
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B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Intangible lease assets				
Furniture, equipment, and vehicles	\$ 882,952	\$ 484,138	\$ (589,379)	\$ 777,711
Total intangible lease assets being amortized	<u>882,952</u>	<u>484,138</u>	<u>(589,379)</u>	<u>777,711</u>
Less accumulated amortization:				
Furniture, equipment, and vehicles	585,445	352,659	(589,379)	348,725
Total accumulated amortization	<u>585,445</u>	<u>352,659</u>	<u>(589,379)</u>	<u>348,725</u>
Total intangible lease assets, net	<u>\$ 297,507</u>	<u>\$ 131,479</u>	<u>\$ -</u>	<u>\$ 428,986</u>

Amortization expense of \$352,659 was charged to the governmental functions as instruction.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General fund	\$ 1,395,659	\$ 2,949,536	\$ 23,350	\$ 5,287,700
Special aid fund	44,680	938,386	130,859	-
School food service fund	-	440,653	-	350
Miscellaneous special revenue fund	4,856	-	-	-
Debt service fund	-	16,620	1,357,993	23,000
Capital projects fund	2,900,000	-	3,833,910	35,062
Total governmental activities	<u>\$ 4,345,195</u>	<u>\$ 4,345,195</u>	<u>\$ 5,346,112</u>	<u>\$ 5,346,112</u>

The District typically transfers from the general fund to the special aid fund and debt service fund. The transfer to the special aid fund was for the District's local share of the costs for the summer program for students with disabilities. The transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness.

The transfer from the debt service fund to the general fund was for a budgeted use of the debt service fund to offset debt service expenditures in the general fund.

The transfer from the general fund to the capital projects fund was to provide funding for various capital projects. The transfer from the capital projects fund to the general fund was to return unused capital reserve funding that had been previously provided relating to closed projects.

The transfer from the school food service fund to the general fund represents the transfer of monies to reimburse the general fund for expenditures incurred in prior fiscal years for the write off of negative student account balances.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - SHORT-TERM DEBT:

Transactions in short-term debt for the fiscal year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/24/2025	4.00%	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -
Total			\$ -	\$ 4,000,000	\$ 4,000,000	\$ -

The tax anticipation note was issued for interim financing of the general fund operations in anticipation of revenues from real property taxes.

Interest paid on short-term debt for the fiscal year was \$131,111 with an associated premium recognized of \$16,920.

NOTE 11 – LONG-TERM LIABILITIES:

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

	As Restated Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long-term debt:					
Bonds payable	\$ 9,825,000	\$ -	\$ (1,055,000)	\$ 8,770,000	\$ 1,080,000
Total long-term debt	9,825,000	-	(1,055,000)	8,770,000	1,080,000
Other long-term liabilities:					
Lease liability	279,759	484,138	(337,900)	425,997	255,743
Compensated absences payable*	5,107,623	141,836		5,249,459	44,500
Termination benefits payable	553,700	260,981	(290,576)	524,105	461,300
Workers' compensation claims payable	263,768	232,332	(177,646)	318,454	
Net pension liability - proportionate share					
Teachers' retirement system	2,160,856		(2,160,856)	-	
Employees' retirement system	3,451,027	1,329,188	(1,183,117)	3,597,098	
Total other post-employment benefits obligation	193,060,616	15,736,782	(23,936,196)	184,861,202	4,822,630
	204,877,349	18,185,257	(28,086,291)	194,976,315	5,584,173
Total long-term liabilities	\$ 214,702,349	\$ 18,185,257	\$ (29,141,291)	\$ 203,746,315	\$ 6,664,173

*Beginning balance is restated. See the accompanying notes to financial statements for further detail regarding the change in accounting principle.

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
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A) Bonds Payable:

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Serial Bonds	6/27/2017	6/15/2032	2.00% - 3.00%	\$ 4,800,000
Serial Bonds	7/26/2018	6/15/2033	3.00%	3,970,000
			Total	<u>\$ 8,770,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	\$ 1,080,000	\$ 242,582	\$ 1,322,582
2027	1,110,000	216,581	1,326,581
2028	1,135,000	189,013	1,324,013
2029	1,170,000	159,950	1,329,950
2030	1,205,000	128,250	1,333,250
2031-2033	3,070,000	163,649	3,233,649
	<u>\$ 8,770,000</u>	<u>\$ 1,100,025</u>	<u>\$ 9,870,025</u>

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.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
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Unissued Debt

On May 17, 2016, the voters approved a bond issue not to exceed \$16,439,513 for district-wide capital improvements. As of June 30, 2025, debt in the amount of \$16,215,000 has been issued, leaving \$224,513 in authorized, but unissued, debt.

B) Lease Liability:

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various other equipment with interest rates of 0% to 5.92%.

Principal and interest amounts paid on the District's lease liability amounted to \$337,900 and \$37,498, respectively, for the fiscal year ended June 30, 2025.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	\$ 255,743	\$ 21,439	\$ 277,182
2027	170,254	7,596	177,850
	\$ 425,997	\$ 29,035	\$ 455,032

C) Interest Expense:

Interest on bonds payable and lease liability for the fiscal year was composed of:

Interest paid	\$ 305,429
Less interest accrued in the prior fiscal year	(11,164)
Plus interest accrued in the current fiscal year	10,108
Total expense	\$ 304,373

NOTE 12 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership

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

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire.

B) Funding policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2025 for covered payroll was 23.5% for Tier 1, 17.9% for Tiers 3 and 4, 15.4% for Tier 5, and 11.4% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2025, was 10.11% of covered payroll.

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2025	\$3,644,941	\$1,183,117
2024	\$3,503,169	\$1,099,429
2023	\$3,591,031	\$834,932

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

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>TRS</u>	<u>ERS</u>
	June 30, 2024	March 31, 2025
Measurement date		
Net pension asset/(liability)	\$ 5,612,284	\$ (3,597,098)
District's portion of the Plan's total net pension asset/(liability)	0.188104%	0.020980%
Change in proportion since prior measurement date	-0.000851%	-0.0024580%

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$3,118,118 for TRS and \$868,064 for ERS. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 892,824	\$ 6,043,399	\$ 42,115	\$ -
Changes of assumptions	150,855	3,357,283	-	564,726
Net difference between projected and actual earnings on pension plan investments	282,218	-	-	6,235,725
Changes in proportion and differences between the District's contributions and proportionate share of contributions	346,772	216,969	236,184	50,775
District's contributions subsequent to the measurement date	410,491	3,644,941	-	-
	<u>\$ 2,083,160</u>	<u>\$ 13,262,592</u>	<u>\$ 278,299</u>	<u>\$ 6,851,226</u>

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

	<u>ERS</u>	<u>TRS</u>
Plan year ended:		
2025	\$ -	\$ (2,853,577)
2026	697,837	6,919,878
2027	966,672	(1,094,435)
2028	(278,618)	(1,233,714)
2029	8,479	742,448
Thereafter	-	285,825
	<u>\$ 1,394,370</u>	<u>\$ 2,766,425</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Actuarial Assumptions

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

The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.30%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decremets	April 1, 2015 - March 31, 2020	July 1, 2019 - June 30, 2023
	System's Experience	System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2024, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns net of pension plan

**ROCKY POINT UNION FREE SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2025		June 30, 2024	
<u>Asset type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	25%	3.54%	33%	6.6%
International equity	14%	6.57%	15%	7.4%
Global equity			4%	6.9%
Private equity	15%	7.25%	9%	10.0%
Real estate	12%	4.95%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	4%	5.55%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	22%	2.00%	16%	2.6%
Global bonds			2%	2.5%
High-yield bonds			1%	4.8%
Private debt			2%	5.9%
Real estate debt			6%	3.9%
Cash equivalents			1%	0.3%
	100%		100%	

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

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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 asset/(liability).

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
District's proportionate share of the net pension asset/(liability)	<u>(\$10,410,455)</u>	<u>(\$3,597,098)</u>	<u>\$2,092,059</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<u>TRS</u>			
District's proportionate share of the net pension asset/(liability)	<u>(\$25,923,462)</u>	<u>\$5,612,284</u>	<u>\$32,134,692</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:

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$410,491.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October, and November 2025 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS covered wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$3,912,683.

NOTE 13 – 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 the District and the employees for the fiscal year ended June 30, 2025, totaled \$331,576 and \$2,229,258, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for some employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2025 totaled \$84,613.

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (OPEB):

A) General Information about the OPEB Plan

Plan Description:

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and a small number of retirees also receive dental insurance benefits. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust to pay related benefits.

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 82% and 100% of premiums for retirees, between 82% and 100% of the excess premiums for family coverage, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the Fund Financial Statements as payments come due. For fiscal year 2025, the District contributed an estimated \$4,777,360

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

to the Plan, including \$4,777,360 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund the OPEB Plan by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	272
Active employees	455
	727
	727

B) Total OPEB Liability:

The District’s total OPEB liability of \$184,861,202 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%	
Salary increases	Varies by pension retirement system	
Discount rate	4.81%	
Healthcare cost trend rates	Actual premium rate increases from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075. Medicare Part B trend rates have been updated to actual rate increase from 2024 to 2025, followed by projected Part B premium increases shown in the 2024 Medicare Trustees report, and decreasing to an ultimate rate of 4.04% by 2075. Dental trend rates are 3.0% per annum.	

The discount rate was based on the 20-year, tax exempt general obligation municipal bonds with an average rating AA/Aa or higher.

Mortality rates were based on Pub-2010 Headcount-Weighted table (general employees for ERS group and teacher employees for TRS group) projected fully generationally using MP-2021.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

C) Changes in the Total OPEB Liability:

Balance at June 30, 2024	\$ 193,060,616
Changes for the fiscal year:	
Service cost	7,397,041
Interest	8,339,741
Changes of benefit terms	-
Differences between expected and actual experience	(545,484)
Changes in assumptions or other inputs	(18,613,352)
Benefit payments	<u>(4,777,360)</u>
Net changes	<u>(8,199,414)</u>
Balance at June 30, 2025	<u><u>\$ 184,861,202</u></u>

There were no significant plan changes since the last valuation.

Changes of assumptions or other inputs includes an increase in the discount rate from 4.21% at the June 30, 2024 measurement date to 4.81% at the June 30, 2025 measurement date.

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:

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB liability	<u>\$ 215,850,048</u>	<u>\$ 184,861,202</u>	<u>\$ 159,913,903</u>

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

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

	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB liability	<u>\$ 155,523,098</u>	<u>\$ 184,861,202</u>	<u>\$ 222,409,603</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$11,893,894. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,952,412	\$ 10,494,574
Changes of assumptions or other inputs	17,420,753	46,943,440
	\$ 33,373,165	\$ 57,438,014

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

Fiscal Year ended June 30:	
2026	\$ (3,842,888)
2027	(3,237,532)
2028	(9,736,379)
2029	(2,331,427)
2030	(2,179,643)
Thereafter	(2,736,980)
	\$ (24,064,849)

NOTE 15 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

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

Workers' compensation	\$ 200,000
Unemployment insurance	20,000
Retirement contribution - employees' retirement system	100,000
Employee benefit accrued liability	200,000
	\$ 520,000

NOTE 16 – ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$1,896,285 has been appropriated as of June 30, 2025 to reduce taxes for the fiscal year ending June 30, 2026.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 17 – RESTRICTED FOR CAPITAL RESERVE

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

	<u>Capital Reserve 2013</u>	<u>Capital Reserve 2023</u>	
Date Created	2013	2023	
Number of Years to Fund	10	10	
Maximum Funding	\$ 10,000,000	\$ 10,000,000	
General Fund			
			Total
Funding Provided	\$ 10,000,000	\$ 4,617,517	\$ 14,617,517
Interest Earnings	83,518	25,201	108,719
Use of Reserve	(10,083,518)	(3,572,067)	(13,655,585)
Total General Fund	<u>-</u>	<u>1,070,651</u>	<u>1,070,651</u>
Capital Projects Fund			
Funding Provided	10,083,518	3,572,067	13,655,585
Use of Reserve	(6,848,001)	(16,817)	(6,864,818)
Total Capital Projects Fund	<u>3,235,517</u>	<u>3,555,250</u>	<u>6,790,767</u>
Balance as of June 30, 2025	<u>\$ 3,235,517</u>	<u>\$ 4,625,901</u>	<u>\$ 7,861,418</u>

NOTE 18 – RISK MANAGEMENT:

A) General:

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

B) Risk Retention:

The District has established a self-insured plan for risks associated with workers’ compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported claims which were incurred on or before year-end but not paid. General fund liabilities only include amounts for reported claims and do not include claims which were incurred on or before year end but not reported (“IBNR”). As of June 30, 2025, the District has a workers’ compensation claims liability of \$318,454 and a workers’ compensation reserve balance of \$1,637,573. Claims activity for the current and preceding fiscal year is summarized below. Claims activity is summarized below:

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	2025	2024
Unpaid claims, beginning of year	\$ 263,768	\$ 307,926
Incurred claims and claim adjustment expenses	232,332	171,650
Claim payments	(177,646)	(215,808)
Unpaid claims, end of year	\$ 318,454	\$ 263,768

C) Public Entity Risk Pool:

The District participates in New York Schools Insurance Reciprocal, a non-risk-retained public entity risk pool for its District 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 and the District has essentially transferred all related risk to the pool.

NOTE 19– COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

Assigned: Unappropriated Fund Balance:

General Fund:

General support	\$ 445,092
Instruction	79,900
Pupil transportation	596
Total General Fund	\$ 525,588

Special Aid Fund:

Instruction	\$ 900
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Capital Projects Fund:

Capital projects	\$ 2,152,212
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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, will be immaterial.

C) Litigation:

The District is not aware of any material pending or threatened litigation claims against the District. The District is also unaware of any unasserted claims or assessments that would require financial statement disclosure.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 20 – RESTATEMENT OF NET POSITION:

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101 (change in accounting principle) required the restatement of the beginning net position as of July 1, 2024. The cumulative effect of this change is summarized as follows:

	Statement of Net Position
Net Position, Beginning of Year, as Previously Reported	\$ (119,137,923)
Long-term liabilities	
Compensated absences payable	(234,633)
Total Long-Term Liabilities	(234,633)
Net Position, Beginning of Year, as Restated	\$ (118,903,290)

NOTE 21 – SUBSEQUENT EVENTS:

Management of the District evaluated events through October 15, 2025, which is the date the financial statements were available to be issued, and noted the following:

On September 18, 2025, the District issued a tax anticipation note in the amount of \$4,250,000, which is due June 24, 2026, and bears an interest rate of 3.75%, premium of \$32,470, and a net interest cost of \$89,718.

SUPPLEMENTARY INFORMATION

**ROCKY POINT UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 52,342,099	\$ 52,342,099	\$ 53,218,262	\$ 876,163
Other tax items	4,538,742	4,538,742	3,669,461	(869,281)
Charges for services	125,000	125,000	400,136	275,136
Use of money and property	107,087	107,087	645,231	538,144
Sale of property and compensation for loss	-	-	70,732	70,732
Miscellaneous	550,000	563,257	936,804	373,547
State Sources	36,156,345	36,156,345	36,028,787	(127,558)
Federal sources	150,000	150,000	93,706	(56,294)
TOTAL REVENUES	<u>93,969,273</u>	<u>93,982,530</u>	<u>95,063,119</u>	<u>1,080,589</u>
Other Financing Sources				
Premium on obligations	-	-	16,920	16,920
Transfers from other funds	23,000	23,000	23,350	350
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>93,992,273</u>	<u>94,005,530</u>	<u>\$ 95,103,389</u>	<u>\$ 1,097,859</u>
Appropriated fund balance	1,989,381	1,989,381		
Prior year's encumbrances	785,186	785,186		
Appropriated reserves	870,000	3,770,000		
TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE AND RESERVES	<u>\$ 97,636,840</u>	<u>\$ 100,550,097</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General support					
Board of education	\$ 42,670	\$ 42,700	\$ 39,054	\$ 222	\$ 3,424
Central administration	407,684	430,144	428,954	-	1,190
Finance	1,004,318	1,015,251	971,484	-	43,767
Staff	671,867	725,071	709,105	-	15,966
Central services	9,042,822	9,742,726	8,699,973	444,870	597,883
Special items	1,042,584	1,042,584	997,824	-	44,760
Total general support	<u>12,211,945</u>	<u>12,998,476</u>	<u>11,846,394</u>	<u>445,092</u>	<u>706,990</u>
Instruction					
Instruction, adm., and imp.	2,784,858	2,909,858	2,756,978	18	152,862
Teaching - regular school	25,921,140	24,661,215	24,119,526	34,804	506,885
Programs for children with disabilities	16,508,125	17,470,038	17,123,012	3,269	343,757
Occupational education	1,219,875	1,290,437	1,289,627	54	756
Teaching special schools	120,000	134,776	99,015	-	35,761
Instructional media	923,137	1,196,254	1,108,717	36,668	50,869
Pupil services	4,433,828	4,618,229	4,481,737	5,087	131,405
Total instruction	<u>51,910,963</u>	<u>52,280,807</u>	<u>50,978,612</u>	<u>79,900</u>	<u>1,222,295</u>
Pupil transportation	6,842,062	6,579,537	6,447,022	596	131,919
Employee benefits	23,798,786	22,867,287	22,725,067	-	142,220
Debt service - principal	355,465	355,465	337,900	-	17,565
Debt service - interest	159,778	170,889	168,609	-	2,280
TOTAL EXPENDITURES	<u>95,278,999</u>	<u>95,252,461</u>	<u>92,503,604</u>	<u>525,588</u>	<u>2,223,269</u>
Other Financing Uses					
Transfers to other funds	2,357,841	5,297,636	5,287,700	-	9,936
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 97,636,840</u>	<u>\$ 100,550,097</u>	<u>97,791,304</u>	<u>\$ 525,588</u>	<u>\$ 2,233,205</u>
Net change in fund balances			(2,687,915)		
Fund balances - beginning of year			23,138,495		
Fund balances - end of year			<u>\$ 20,450,580</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

NYSTRS Pension Plan

	<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>
District's proportion of the net pension asset/(liability)	0.188104%	0.188955%	0.191160%	0.193083%	0.190470%	0.192654%	0.191574%	0.191295%	0.190739%	0.192087%
District's proportionate share of the net pension asset/(liability)	\$ 5,612,284	\$ (2,160,856)	\$ (3,668,154)	\$ 33,459,396	\$ (5,263,199)	\$ 5,005,152	\$ 3,464,167	\$ 1,454,033	\$ (2,042,891)	\$ 19,951,689
District's covered payroll	\$ 35,893,126	\$ 34,957,231	\$ 33,786,817	\$ 32,792,697	\$ 32,579,948	\$ 32,162,806	\$ 31,205,286	\$ 30,361,397	\$ 29,837,597	\$ 29,330,293
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.64%	6.18%	10.86%	102.03%	16.15%	15.56%	11.10%	4.79%	6.85%	68.02%
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.17%	98.60%	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%

NYSERS Pension Plan

	<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>
District's proportion of the net pension asset/(liability)	0.020980%	0.023438%	0.021917%	0.021732%	0.021007%	0.022356%	0.022007%	0.022161%	0.020526%	0.020962%
District's proportionate share of the net pension asset/(liability)	\$ (3,597,098)	\$ (3,451,027)	\$ (4,699,811)	\$ 1,776,513	\$ (20,918)	\$ (5,919,962)	\$ (1,559,277)	\$ (715,248)	\$ (1,928,662)	\$ (3,364,507)
District's covered payroll	\$ 8,126,123	\$ 7,767,712	\$ 7,963,348	\$ 7,257,100	\$ 6,934,959	\$ 7,134,821	\$ 7,000,614	\$ 6,754,339	\$ 5,798,809	\$ 6,004,599
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	44.27%	44.43%	59.02%	24.48%	0.30%	82.97%	22.27%	10.59%	33.26%	56.03%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

Note to Required Supplementary Information

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

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

NYSTRS Pension Plan

	<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	\$ 3,644,941	\$ 3,503,169	\$ 3,591,031	\$ 3,318,724	\$ 3,121,910	\$ 2,886,583	\$ 3,415,690	\$ 3,058,118	\$ 3,553,573	\$ 3,902,802
Contributions in relation to the contractually required contribution	3,644,941	3,503,169	3,591,031	3,318,724	3,121,910	2,886,583	3,415,690	3,058,118	3,553,573	3,902,802
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 36,154,403	\$ 35,893,126	\$ 34,957,231	\$ 33,786,817	\$ 32,792,697	\$ 32,579,948	\$ 32,162,806	\$ 31,205,286	\$ 30,361,397	\$ 29,837,597
Contributions as a percentage of covered payroll	10.08%	9.76%	10.27%	9.82%	9.52%	8.86%	10.62%	9.80%	11.70%	13.08%

NYSERS Pension Plan

	<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	\$ 1,183,117	\$ 1,099,429	\$ 834,932	\$ 999,514	\$ 1,065,561	\$ 1,003,375	\$ 985,327	\$ 954,307	\$ 891,815	\$ 1,056,812
Contributions in relation to the contractually required contribution	1,183,117	1,099,429	834,932	999,514	1,065,561	1,003,375	985,327	954,307	891,815	1,056,812
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 8,130,650	\$ 8,138,086	\$ 7,761,206	\$ 7,344,872	\$ 7,013,002	\$ 7,074,357	\$ 6,488,826	\$ 6,393,775	\$ 5,798,809	\$ 6,170,976
Contributions as a percentage of covered payroll	14.55%	13.51%	10.76%	13.61%	15.19%	14.18%	15.18%	14.93%	15.38%	17.13%

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

Total OPEB Liability	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 7,397,041	\$ 7,072,842	\$ 6,584,518	\$ 9,427,672	\$ 9,920,123	\$ 7,547,157	\$ 5,925,172	\$ 4,242,571
Interest	8,339,741	7,599,939	6,236,495	4,644,003	4,654,603	6,341,887	5,073,753	4,504,219
Changes of benefit terms	-	-	(9,960)	-	-	-	-	-
Differences between expected and actual experience	(545,484)	6,396,227	12,680,308	1,644,030	(10,110,642)	(24,942,090)	15,449,404	-
Changes of assumptions or other inputs	(18,613,352)	(2,494,866)	(13,742,807)	(47,987,640)	3,835,127	41,914,385	24,767,935	(6,361,045)
Benefit payments	<u>(4,777,360)</u>	<u>(4,867,901)</u>	<u>(3,929,480)</u>	<u>(3,511,698)</u>	<u>(3,333,132)</u>	<u>(3,255,671)</u>	<u>(3,266,251)</u>	<u>(2,809,462)</u>
Net change in total OPEB liability	(8,199,414)	13,706,241	7,819,074	(35,783,633)	4,966,079	27,605,668	47,950,013	(423,717)
Total OPEB liability - beginning	<u>193,060,616</u>	<u>179,354,375</u>	<u>171,535,301</u>	<u>207,318,934</u>	<u>202,352,855</u>	<u>174,747,187</u>	<u>126,797,174</u>	<u>127,220,891</u>
Total OPEB liability - ending	<u>\$ 184,861,202</u>	<u>\$ 193,060,616</u>	<u>\$ 179,354,375</u>	<u>\$ 171,535,301</u>	<u>\$ 207,318,934</u>	<u>\$ 202,352,855</u>	<u>\$ 174,747,187</u>	<u>\$ 126,797,174</u>
Covered-employee payroll	\$ 46,063,221	\$ 42,591,004	\$ 40,867,468	\$ 40,406,204	\$ 32,526,760	\$ 39,962,602	\$ 36,133,095	\$ 34,807,204
Total OPEB liability as a percentage of covered-employee payroll	401.32%	453.29%	438.87%	424.53%	637.38%	506.36%	483.62%	364.28%
Discount rate	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%

Notes to Schedule:

Trust Assets

There are no assets accumulated in a trust to pay related benefits.

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

**ROCKY POINT UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 96,851,654
Add: Prior year's encumbrances		785,186
Original Budget		97,636,840
Budget revisions:		
Appropriation of capital reserve	\$ 2,900,000	
Gifts and donations	13,257	2,913,257
Final Budget		\$ 100,550,097

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter approved expenditure budget		\$ 98,396,622
Maximum allowed (4% of the 2025-2026 budget)		\$ 3,935,865
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 2,421,873	
Unassigned fund balance	3,935,865	
Total unrestricted fund balance		6,357,738
Less:		
Appropriated fund balance	\$ 1,896,285	
Encumbrances included in assigned fund balance	525,588	
Total adjustments		2,421,873
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ 3,935,865
Actual percentage		4.00%

**ROCKY POINT UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Project Title	Project #	Expenditures						Unexpended Balance	Methods of Financing				Fund Balance June 30, 2025	
		Original Appropriation	Revised Appropriation	Prior Year's	Current Year	Transfers	Total		Proceeds of Obligations	State Aid	Local Sources	Capital Reserve		Total
JAE Library-Bond	01-0015	\$ 236,000	\$ 221,556	\$ 55,379	\$ 131,115	\$ 35,062	\$ 221,556	\$ -	\$ 221,556	\$ -	\$ -	\$ -	\$ 221,556	\$ -
Boilers HSMS - Cap Res	05-0045	3,071,425	3,071,425	13,015	251,616	-	264,631	2,806,794	-	-	-	3,071,425	3,071,425	2,806,794
FJC Int/Ext Doors & Window Film - Local Sources	01-6025	552,240	552,240	138	435,612	-	435,750	116,490	-	-	552,240	-	552,240	116,490
RPHS VCT Bleachers Window Film - Local Sources	05-5044	342,020	333,970	2,340	172,439	-	174,779	159,191	-	-	333,970	-	333,970	159,191
JAE Security window film - Local Sources	02-1021	32,450	47,700	1,480	47,499	-	48,979	(1,279)	-	-	47,700	-	47,700	(1,279) *
FJC Gym Bleachers, boiler room door, flooring - Local Sources	01-6026	84,000	84,000	-	356	-	356	83,644	-	-	-	-	-	(356) *
Boilers JAE - Cap Res	01-0022	1,228,575	1,228,575	5,206	122,579	-	127,785	1,100,790	-	-	-	1,228,575	1,228,575	1,100,790
Upper Turf Field / Library Reno/ track/ doors - Local & Cap Res.	05-5046	2,700,000	2,700,000	-	15,970	-	15,970	2,684,030	-	-	-	2,700,000	2,700,000	2,684,030
JAE Art Room Reno - Cap Res	01-0023	200,000	200,000	-	847	-	847	199,153	-	-	-	200,000	200,000	199,153
Smart Schools	SSBA	2,450,155	2,450,155	2,210,557	-	-	2,210,557	239,598	-	2,210,557	-	-	2,210,557	-
24- 25 Lease agreements		484,138	484,138	-	484,138	-	484,138	-	484,138	-	-	-	484,138	-
TOTAL		<u>\$ 11,381,003</u>	<u>\$ 11,373,759</u>	<u>\$ 2,288,115</u>	<u>\$ 1,662,171</u>	<u>\$ 35,062</u>	<u>\$ 3,985,348</u>	<u>\$ 7,388,411</u>	<u>\$ 705,694</u>	<u>\$ 2,210,557</u>	<u>\$ 933,910</u>	<u>\$ 7,200,000</u>	<u>\$ 11,050,161</u>	<u>\$ 7,064,813</u>

* Deficit fund balance will be eliminated with voter approved interfund transfer in 2025-26.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2025**

Capital assets, net		\$ 60,502,631
Intangible lease assets, net		428,986
Deduct:		
Capital-related accounts payable	\$ 363,337	
Short-term portion of bonds payable	1,080,000	
Short-term portion of lease liability	255,743	
Long-term portion of bonds payable	7,690,000	
Long-term portion of lease liability	<u>170,254</u>	<u>9,559,334</u>
Net investment in capital assets		<u><u>\$ 51,372,283</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
Rocky Point Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Rocky Point Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 15, 2025