



REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORTS
June 30, 2024

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Remsenburg-Speonk Union Free School District
Remsenburg, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Remsenburg-Speonk Union Free School District (the District), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information on pages 56 through 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2024

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Remsenburg-Speonk Union Free School District's (District) discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024 in comparison with the year ended June 30, 2023, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The District's total net position deficit, as reflected in the district-wide financial statements, decreased by \$501,972 (22.22%). This was due to an excess of revenues over expenses using the economic resources measurement focus and the accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$15,450,214. Of this amount, \$728,179 was offset by program charges for services, operating grants, and capital grants. General revenues of \$15,224,007 amount to 95.44% of total revenues and were adequate to cover the balance of program expenses.
- The District's general fund-fund balance, as reflected in the fund financial statements was \$6,071,981 at June 30, 2024. This balance represents a \$979,392 increase (19.23%) over the prior year due to an excess of revenues over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
 - Restricted fund balances increased by \$2,825,447 due to funding and interest allocations to reserves, offset use of reserves.
 - Assigned fund balance decreased \$68,888, as the District decreased the fund balance appropriated to fund the 2025 budget. This was offset by the increase in outstanding encumbrances.
 - Unassigned fund balance decreased by \$1,777,167 to \$653,025.
- The District's 2024 property tax levy, including STAR, of \$13,858,394 was a 2.59% increase over the 2023 tax levy, which was equal to the allowable tax cap increase.
- For the year ended June 30, 2024, the board passed a resolution to establish the employee benefit accrued liability reserve. The reserve is intended to cover expenditures relating to separation payouts for accrued time for employees. Payout and eligibility of separation pay is determined by employee contracts.
- On May 21, 2024, the voters authorized the District to utilize funds from the 2004 and 2017 capital reserves, as well as general fund appropriations, to fund capital related projects. The capital related projects, in the amount not to exceed \$300,000, will include WIFI upgrades, repair, reconstruction, and upgrades to the District's buildings, facilities, and grounds.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

See Paragraph on Required Supplementary Information Included in Independent Auditor's Report

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)



A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District, as a whole, in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

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

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the District's school buildings and other capital assets.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

B. Fund Financial Statements

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Governmental Funds

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

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

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

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

Fiduciary Fund

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position deficit decreased by \$501,972 between fiscal year 2024 and 2023. The deficit decrease is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2024	2023	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 9,261,631	\$ 8,832,643	\$ 428,988	4.86 %
Capital Assets, Net	4,817,983	4,035,948	782,035	19.38 %
Total Assets	<u>14,079,614</u>	<u>12,868,591</u>	<u>1,211,023</u>	9.41 %
Deferred Outflows of Resources	<u>6,412,517</u>	<u>7,599,921</u>	<u>(1,187,404)</u>	(15.62)%
Liabilities				
Current and Other Liabilities	1,762,836	1,648,527	114,309	6.93 %
Long-Term Liabilities	2,598,681	2,717,099	(118,418)	(4.36)%
Total OPEB Liability	13,469,919	12,952,143	517,776	4.00 %
Net Pension Liabilities -				
Proportionate Share	<u>545,495</u>	<u>926,035</u>	<u>(380,540)</u>	(41.09)%
Total Liabilities	<u>18,376,931</u>	<u>18,243,804</u>	<u>133,127</u>	0.73 %
Deferred Inflows of Resources	<u>3,871,902</u>	<u>4,483,382</u>	<u>(611,480)</u>	(13.64)%
Net Position (Deficit)				
Net Investment in Capital Assets	2,631,038	1,784,303	846,735	47.45 %
Restricted	5,173,909	3,092,387	2,081,522	67.31 %
Unrestricted (deficit)	<u>(9,561,649)</u>	<u>(7,135,364)</u>	<u>(2,426,285)</u>	34.00 %
Total Net Position (Deficit)	<u>\$ (1,756,702)</u>	<u>\$ (2,258,674)</u>	<u>\$ 501,972</u>	(22.22)%

The increase in current and other assets is primarily due to increases in cash and amounts due from other governments.

The increase in capital assets, net is due to capital outlays and other additions in excess of depreciation expense. The accompanying Notes to Financial Statements, Note 9 "Capital Assets" provides additional information.

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

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

The decrease in long-term liabilities is due to the repayment of the current maturity of the bond indebtedness and deferred premium on bond, offset by an increase in the termination benefits payable.

Total OPEB liability increased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 15 "Postemployment Healthcare Benefits," provides additional information.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Net pension liabilities – proportionate share represents the District's shares of the New York State Teachers' Retirement System's (TRS) and the New York State and Local Employees' Retirement System's (ERS) collective net pension liabilities, at the measurement date of the respective year. The decrease in net pension liabilities is primarily due to the net change in market value of both the TRS' and ERS' pension plan assets being in excess of the net change in each plan's total pension liabilities at their current year measurement dates. The accompanying Notes to Financial Statements, Note 13 "Pension Plans – New York State," provides additional information.

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

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

The restricted amount relates to the District's reserves and restricted amounts, which decreased from the prior year as a result of the use of the capital reserves towards ongoing capital projects.

The unrestricted (deficit) amount relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

B. Changes in Net Position

The results of operations, as a whole, are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements, school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of these statements for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 414,749	\$ 293,543	\$ 121,206	41.29 %
Operating Grants	304,247	215,549	88,698	41.15 %
Capital Grants	9,183	-	9,183	100.00 %
General Revenues				
Property Taxes and STAR	13,858,447	13,508,187	350,260	2.59 %
State Sources	674,924	647,335	27,589	4.26 %
Other	690,636	413,700	276,936	66.94 %
Total Revenues	<u>15,952,186</u>	<u>15,078,314</u>	<u>873,872</u>	5.80 %

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2024	2023	Increase (Decrease)	Percentage Change
Expenses				
General Support	\$ 1,845,193	\$ 1,896,793	\$ (51,600)	(2.72)%
Instruction	12,611,814	12,051,194	560,620	4.65 %
Pupil Transportation	821,970	798,841	23,129	2.90 %
Community Services	2,631	2,927	(296)	(10.11)%
Debt Service - Interest	60,205	63,403	(3,198)	(5.04)%
Food Service Program	108,401	111,866	(3,465)	(3.10)%
Total Expenses	<u>15,450,214</u>	<u>14,925,024</u>	<u>525,190</u>	3.52 %
Change in Net Position	<u>\$ 501,972</u>	<u>\$ 153,290</u>	<u>\$ 348,682</u>	227.47 %

The District's net position deficit decreased by \$501,972 and \$153,290 for the years ended June 30, 2024 and 2023, respectively.

The District's revenues increased by \$873,872 or 5.80%. This increase was primarily due to:

- An increase in property taxes and STAR, which was in accordance with the 2023-2024 voter-approved budget.
- Other revenue increased as a result of a refund from BOCES, as well as a reduction in liability for changes in tuition rates.
- Charges for services increased mainly due to a larger tuition revenue, as a result of greater enrollment and growth in tuition rates.
- The increase in state sources is due to greater state aid for basic formula aid and BOCES aid.
- Operating grants increased due to the District receiving more funding on existing grants in the 2023-2024 year.

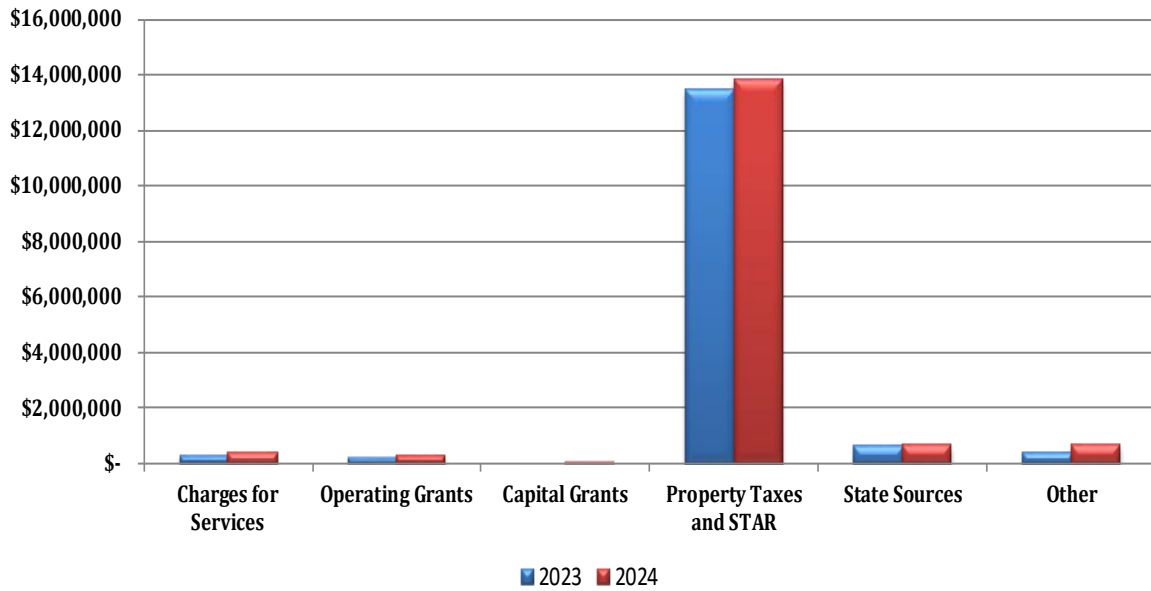
The District's total expenses for the year increased by \$525,190 or 3.52%. This increase was primarily due to:

- The increase in instruction was due to a rise in salaries.
- Pupil transportation expenses increased due to greater contract bus expenses.
- The decrease in general support is due to the District incurring less contractual costs than the prior year.
- In addition, the changes in general support and instruction include the impact of the net change in pension and OPEB costs allocated.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 86.9% and 89.6% of the totals for the years 2024 and 2023 respectively). Instruction expenses is the largest category of expenses incurred (i.e., 81.7% and 80.8% of the totals for the years 2024 and 2023 respectively).

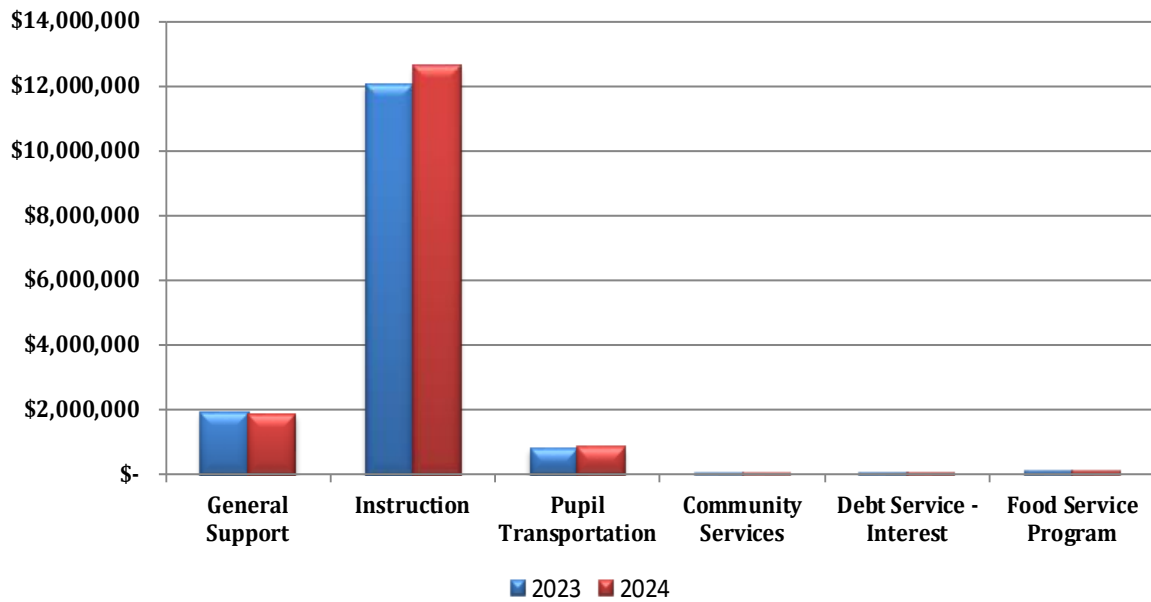
REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for Services	Operating Grants	Capital Grants	Property Taxes and STAR	State Sources	Other
2023	1.9%	1.4%	0.0%	89.6%	4.3%	2.8%
2024	2.6%	1.9%	0.1%	86.9%	4.2%	4.3%

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



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
2023	12.7%	80.8%	5.4%	0.0%	0.4%	0.7%
2024	11.9%	81.7%	5.3%	0.0%	0.4%	0.7%

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District's governmental funds reported a combined fund balance of \$7,316,026, which is an increase of \$303,196 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2024	2023	Increase (Decrease)	Percentage
General Fund				
Restricted:				
Workers' Compensation	\$ 325,064	\$ 308,514	\$ 16,550	5.36 %
Unemployment Insurance	32,862	31,189	1,673	5.36 %
Retirement Contribution:				
Teachers' retirement system	352,470	335,493	16,977	5.06 %
Employees' retirement system	410,094	389,791	20,303	5.21 %
Employee benefits accrued liability	40,000		40,000	100.00 %
Capital	2,791,821	68,937	2,722,884	3949.82 %
Repairs	159,874	152,814	7,060	4.62 %
Debt	65,928	65,928	-	0.00 %
Assigned:				
Appropriated fund balance	1,167,510	1,267,510	(100,000)	(7.89)%
Unappropriated fund balance	73,333	42,221	31,112	73.69 %
Unassigned: Fund balance	653,025	2,430,192	(1,777,167)	(73.13)%
	<u>6,071,981</u>	<u>5,092,589</u>	<u>979,392</u>	19.23 %
School Food Service Fund				
Nonspendable: Inventories	2,132	2,932	(800)	(27.29)%
Assigned: Unappropriated fund balance	4,475	5,977	(1,502)	(25.13)%
	<u>6,607</u>	<u>8,909</u>	<u>(2,302)</u>	(25.84)%
Capital Projects Fund				
Restricted:				
Capital	1,032,496	1,860,077	(827,581)	(44.49)%
Unspent bond proceeds	54,755	51,255	3,500	6.83 %
Assigned: Appropriated fund balance	150,187		150,187	100.00 %
	<u>1,237,438</u>	<u>1,911,332</u>	<u>(673,894)</u>	(35.26)%
Total Fund Balance	<u>\$ 7,316,026</u>	<u>\$ 7,012,830</u>	<u>\$ 303,196</u>	4.32 %

A. General Fund

The net change in the general fund – fund balance is an increase of \$979,392, compared to an increase of \$720,563 in 2023. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

	2024	2023	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	\$ 13,858,447	\$ 13,508,187	\$ 350,260	2.59 %
Other Local Sources	1,085,029	676,439	408,590	60.40 %
State Sources	674,924	647,335	27,589	4.26 %
Other Financing Sources	9,183	-	9,183	100.00 %
	<u>\$ 15,627,583</u>	<u>\$ 14,831,961</u>	<u>\$ 795,622</u>	5.36 %

- The increase in property taxes and STAR is due to a rise in the tax levy in accordance with the 2023-2024 budget.
- The increase in other local sources is primarily due to more day school tuition due to greater enrollment and tuition rate increases.
- State sources increased as a result of additional state aid for basic formula aid and BOCES aid.

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

	2024	2023	Increase (Decrease)	Percentage Change
General Support	\$ 1,242,425	\$ 1,389,110	\$ (146,685)	(10.56)%
Instruction	9,831,315	9,655,808	175,507	1.82 %
Pupil Transportation	771,005	775,400	(4,395)	(0.57)%
Community Services	2,631	2,927	(296)	(10.11)%
Employee Benefits	2,227,239	1,997,300	229,939	11.51 %
Debt Service	241,906	245,606	(3,700)	(1.51)%
Other Financing Uses	331,670	45,247	286,423	633.02 %
	<u>\$ 14,648,191</u>	<u>\$ 14,111,398</u>	<u>\$ 536,793</u>	3.80 %

- Other financing uses increased as a result of the transfer to capital projects fund for the 2024-2025 voter approved proposition to use reserves and general fund unassigned fund balance to cover capital projects in the amount of \$300,000.
- Instruction and employee benefits increased due to larger salary and health insurance rates for family and single coverage.
- The decrease in general support is primarily due to discontinued consulting services for the 2023-2024 fiscal year.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

	Balance @ June 30, 2023	Use of Reserve	Interest	Funding	Balance @ June 30, 2024
Workers' Compensation	\$ 308,514	\$	\$ 16,550	\$	\$ 325,064
Unemployment Insurance	31,189		1,673		32,862
Retirement Contribution:					
TRS	335,493		16,977		352,470
ERS	389,791		20,303		410,094
Employee benefit accrued liability				40,000	40,000
Capital	68,937	(149,814)	80,877	2,791,821	2,791,821
Repairs	152,814		7,060		159,874
Debt	65,928				65,928
	<u>\$ 1,352,666</u>	<u>\$ (149,814)</u>	<u>\$ 143,440</u>	<u>\$ 2,831,821</u>	<u>\$ 4,178,113</u>

Additional detail regarding capital reserves can be found in Note 19 "Restricted for Capital Reserve."

B. School Food Service Fund

The school food service fund - fund balance net decrease is primarily attributable to increases in food purchases and salary expenses.

C. Capital Projects Fund

The capital projects fund – fund balance net decrease is the result of expenditures relating to ongoing capital improvement projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's general fund voter-approved budget for the year ended June 30, 2024 was \$16,003,955. This amount was increased by encumbrances carried forward from the prior year in the amount of \$42,221 and a budget revision in the amount of \$300,000, for a total final budget of \$16,346,176.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$13,858,394 in estimated property taxes and STAR.

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

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Opening, Unassigned Fund Balance	\$ 2,430,192
Fund Balance Appropriated for Budget Revision	\$ (150,186)
Revenues and Other Financing Sources Over Budget	891,138
Expenditures, Other Financing Uses, and Encumbrances Under Budget	1,624,652
Allocation to Reserves	(2,975,261)
Appropriated to Fund the June 30, 2025 Budget	<u>(1,167,510)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 653,025</u></u>

Opening, Unassigned Fund Balance

The \$2,430,192 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned fund balance.

Fund Balance Appropriated for Budget Revision

The District increased appropriations by \$150,186, which was funded by unassigned fund balance. The increase was needed to fund capital related projects in accordance with the 2024-2025 voter approved proposition, which decreases the unassigned portion of the general fund fund balance.

Revenues and Other Financing Sources Over Budget

The 2023-2024 final budget for revenues was \$14,736,445. Actual revenues and other financing sources for the year were \$15,627,583. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources was \$891,138. This excess contributes directly to the change to the general fund unassigned fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2023-2024 final budget for expenditures and other financing uses was \$16,346,176. Actual expenditures and other financing uses as of June 30, 2024 were \$14,648,191 and outstanding encumbrances were \$73,333. Combined, expenditures and other financing uses plus encumbrances for 2023-2024 were \$14,721,524. The final budget variance was \$1,624,652, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Allocation to Reserves

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

Appropriated Fund Balance

The District has chosen to use \$1,167,510 of the available June 30, 2024 unassigned fund balance to partially fund the 2024-2025 approved operating budget. As such, the June 30, 2024 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2024 is \$653,025. This unassigned fund balance portion is equal to the permissible 4% statutory maximum per §1318 of the New York State Real Property Tax Law.

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

A. Capital Assets

At June 30, 2024, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions of \$982,298 in excess of depreciation expense of \$200,263 recorded for the year ended June 30, 2024. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Land	\$ 67,500	\$ 67,500	\$ -
Construction work in progress	953,548	96,509	857,039
Buildings and improvements	3,389,393	3,397,477	(8,084)
Site improvements	64,402	75,885	(11,483)
Furniture and equipment	343,140	398,577	(55,437)
Capital assets, net	<u>\$ 4,817,983</u>	<u>\$ 4,035,948</u>	<u>\$ 782,035</u>

The District is continuing to make significant capital expenditures resulting from a voter-approved capital reserve authorization of \$1,836,230 to reconstruct and reconfigure interior space. As of June 30, 2024, the District has expended 51.93% of the authorization and construction is ongoing.

B. Debt Administration

At June 30, 2024, the District had total debt of \$2,205,000. The decrease in outstanding debt represents principal payments made throughout the year. A summary of outstanding debt at June 30, 2024 and 2023 is as follows:

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Issue Date	Interest Rate	2024	2023	Increase (Decrease)
Bonds Payable				
6/16/2020	2.00%	<u>\$ 2,205,000</u>	<u>\$ 2,380,000</u>	<u>\$ (175,000)</u>

The Districts latest underlying long-term credit rating from S&P Global Ratings is AA+. The Districts outstanding serial bonds at June 30, 2024 are approximately 0.70% of the District's debt limit.

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for termination benefits payable, which are based on employment contracts, and workers' compensation liabilities, total OPEB liability, and net pension liabilities – proportionate share which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Termination benefits payable	\$ 313,200	\$ 255,950	\$ 57,250
Workers' compensation liabilities	43,781	37,893	5,888
Total OPEB liability	13,469,919	12,952,143	517,776
Net pension liability - proportionate share	<u>545,495</u>	<u>926,035</u>	<u>(380,540)</u>
	<u>\$ 14,372,395</u>	<u>\$ 14,172,021</u>	<u>\$ 200,374</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 21, 2024, for the year ending June 30, 2025, is \$16,325,670. This is an increase of \$321,715 or 2.01% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at an \$83,134 decrease from the prior year's estimate, which is principally due to an estimated decrease in state aid. The assigned, appropriated fund balance applied to the budget was \$1,167,510 as a \$100,000 decrease from the previous year. Additionally, the District has elected to appropriate \$100,000 of reserves towards the next year's budget. A property tax increase of \$404,849 (2.92%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid complicates long-range planning.
- Rise in employee cost centers on employee salaries and health benefits, as well as contributions to pension programs.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

- Changing circumstances of unforeseen events and risks including natural disasters and global pandemics.
- Impact of external factors such as market trends, economic conditions, and regulatory changes.
- The combination of high inflation and high-interest rates can impact all lines of the budget.
- Social and demographic changes with population, age distribution, and personal income can have significant and lasting effects.
- Legal and intergovernmental factors constraining tax increases, forbidding particular revenue sources, and mandating some services.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60 of the votes cast. Based on the law, the District's tax levy cap for 2024-2025 is 2.92%. The District's 2024-2025 property tax increase of 2.92% was equal to the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

Ms. Denise Lindsay Sullivan - Superintendent/Principal
Remsenburg-Speonk Union Free School District
Mill Road
P.O. Box 900
Remsenburg, New York 11960

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 3,395,835
Restricted	5,265,364
Receivables	
Accounts receivable	1,899
Due from state and federal	199,478
Due from other governments	212,316
Inventories	2,132
Other assets	184,607
Capital assets:	
Not being depreciated	1,021,048
Being depreciated, net of accumulated depreciation	<u>3,796,935</u>
Total Assets	<u>14,079,614</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	1,791,811
Other postemployment benefits	<u>4,620,706</u>
Total Deferred Outflows of Resources	<u>6,412,517</u>

LIABILITIES

Payables	
Accounts payable	628,744
Accrued liabilities	23,324
Due to fiduciary fund	1,293
Due to other governments	691,710
Due to teachers' retirement system	392,517
Due to employees' retirement system	21,876
Other liabilities	1,161
Unearned credits	
Collections in advance	2,211
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	181,056
Total other postemployment benefits liability	362,265
Due and payable after one year	
Bonds payable, net	2,060,644
Termination benefits payable	313,200
Workers' compensation liabilities	43,781
Total other postemployment benefits liability	13,107,654
Net pension liabilities - proportionate share	<u>545,495</u>
Total Liabilities	<u>18,376,931</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	334,803
Other postemployment benefits	<u>3,537,099</u>
Total Deferred Inflows of Resources	<u>3,871,902</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>2,631,038</u>
Restricted	
Workers' compensation	325,064
Unemployment insurance	32,862
Retirement contribution	
Teachers' retirement system	352,470
Employees' retirement system	410,094
Employee benefit accrued liability	40,000
Capital	3,824,317
Repairs	159,874
Debt	29,228
Total Restricted	<u>5,173,909</u>
Unrestricted (Deficit)	<u>(9,561,649)</u>
Total Net Position (Deficit)	<u>\$ (1,756,702)</u>

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
FUNCTIONS/PROGRAMS					
General support	\$ 1,845,193	\$	\$	\$	\$ (1,845,193)
Instruction	12,611,814	394,429	237,104	9,183	(11,971,098)
Pupil transportation	821,970				(821,970)
Community services	2,631				(2,631)
Debt service - interest	60,205				(60,205)
Food service program	108,401	20,320	67,143		(20,938)
Total Functions and Programs	<u>\$ 15,450,214</u>	<u>\$ 414,749</u>	<u>\$ 304,247</u>	<u>\$ 9,183</u>	<u>(14,722,035)</u>
GENERAL REVENUES					
Real property taxes					13,785,148
Other tax items					136,032
Use of money and property					326,397
Miscellaneous					301,506
State sources					674,924
Total General Revenues					<u>15,224,007</u>
Change in Net Position					501,972
Total Net Position (Deficit) - Beginning of Year					<u>(2,258,674)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (1,756,702)</u>

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2024

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Unrestricted	\$ 3,060,597	\$ 1,703	\$ 7,364	\$ 326,171	\$ 3,395,835
Restricted	4,178,113			1,087,251	5,265,364
Receivables					
Accounts receivable			1,899		1,899
Due from other funds	165,504			290,816	456,320
Due from state and federal	26,284	157,224	6,787	9,183	199,478
Due from other governments	212,316				212,316
Inventories			2,132		2,132
Total Assets	<u>\$ 7,642,814</u>	<u>\$ 158,927</u>	<u>\$ 18,182</u>	<u>\$ 1,713,421</u>	<u>\$ 9,533,344</u>
LIABILITIES					
Payables					
Accounts payable	\$ 151,361	\$ 1,008	\$ 392	\$ 475,983	\$ 628,744
Accrued liabilities	21,486				21,486
Due to other funds	292,109	157,919	7,585		457,613
Due to other governments	691,605		105		691,710
Due to teachers' retirement system	392,517				392,517
Due to employees' retirement system	20,594		1,282		21,876
Other liabilities	1,161				1,161
Unearned credits					
Collections in advance			2,211		2,211
Total Liabilities	<u>1,570,833</u>	<u>158,927</u>	<u>11,575</u>	<u>475,983</u>	<u>2,217,318</u>
FUND BALANCES					
Nonspendable: Inventories			2,132		2,132
Restricted:					
Workers' compensation	325,064				325,064
Unemployment insurance	32,862				32,862
Retirement contribution					
Teachers' retirement system	352,470				352,470
Employees' retirement system	410,094				410,094
Employee benefit accrued liability	40,000				40,000
Capital	2,791,821			1,032,496	3,824,317
Repairs	159,874				159,874
Debt	65,928				65,928
Unspent bond proceeds				54,755	54,755
Assigned:					
Appropriated fund balance	1,167,510				1,167,510
Unappropriated fund balance	73,333		4,475		77,808
Unassigned: Fund balance	<u>653,025</u>			<u>150,187</u>	<u>803,212</u>
Total Fund Balances	<u>6,071,981</u>	<u>-</u>	<u>6,607</u>	<u>1,237,438</u>	<u>7,316,026</u>
Total Liabilities and Fund Balances	<u>\$ 7,642,814</u>	<u>\$ 158,927</u>	<u>\$ 18,182</u>	<u>\$ 1,713,421</u>	<u>\$ 9,533,344</u>

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total Governmental Fund Balances	\$	7,316,026
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Cash held by third-party administrator is treated as a long-term asset and included in Net Position.		184,607
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The costs of building and acquiring capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annual over their useful lives.

Original cost or present value of capital assets	\$ 8,499,619	
Less: Accumulated depreciation	<u>(3,681,636)</u>	
		4,817,983

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

Deferred outflows of resources	1,791,811	
Net pension liability - teachers' retirement system	(215,909)	
Net pension liability - employees' retirement system	(329,586)	
Deferred inflows of resources	<u>(334,803)</u>	
		911,513

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

Deferred outflows of resources	4,620,706	
Total other postemployment benefits liability	(13,469,919)	
Deferred inflows of resources	<u>(3,537,099)</u>	
		(12,386,312)

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

Accrued interest on debt	(1,838)	
Bonds payable	(2,241,700)	
Termination benefits payable	(313,200)	
Workers' compensation liabilities	<u>(43,781)</u>	
		(2,600,519)

Total Net Position (Deficit)	\$	<u><u>(1,756,702)</u></u>
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REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	\$ 13,785,148	\$	\$	\$	\$ 13,785,148
Other tax items	136,032				136,032
Charges for services	394,429				394,429
Use of money and property	326,397				326,397
Miscellaneous	301,470		36		301,506
State sources	674,924	131,479	27,605	9,183	843,191
Federal sources		105,625	39,538		145,163
Sales			20,320		20,320
Total Revenues	15,618,400	237,104	87,499	9,183	15,952,186
EXPENDITURES					
General support	1,242,425				1,242,425
Instruction	9,831,315	202,809			10,034,124
Pupil transportation	771,005	50,965			821,970
Community services	2,631				2,631
Employee benefits	2,227,239		11,310		2,238,549
Debt service -					
Principal	175,000				175,000
Interest	66,906				66,906
Food service program			93,491		93,491
Capital outlay				973,894	973,894
Total Expenditures	14,316,521	253,774	104,801	973,894	15,648,990
Excess (Deficiency) of Revenues Over Expenditures	1,301,879	(16,670)	(17,302)	(964,711)	303,196
OTHER FINANCING SOURCES AND (USES)					
Operating transfers in	9,183	16,670	15,000	300,000	340,853
Operating transfers (out)	(331,670)			(9,183)	(340,853)
Total Other Financing Sources and (Uses)	(322,487)	16,670	15,000	290,817	-
Net Change in Fund Balances	979,392	-	(2,302)	(673,894)	303,196
Fund Balances - Beginning of Year	5,092,589	-	8,909	1,911,332	7,012,830
Fund Balances - End of Year	\$ 6,071,981	\$ -	\$ 6,607	\$ 1,237,438	\$ 7,316,026

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances	\$	303,196
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Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) are being held by a third-party administrator. This is the amount by which other assets - cash held by third-party administrator increased in the period.	\$	11,338
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Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in termination benefits payable	(57,250)	
Increase in workers' compensation liabilities	(5,888)	
		(51,800)

Capital Related Differences

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

Capital outlays and other additions	982,298	
Depreciation expense	(200,263)	
		782,035

Long-Term Debt Transactions Differences

The amortization of the deferred premium decreases interest expense in the Statement of Activities.	6,556	
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The repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond payable	175,000	
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2023 to June 30, 2024.	145	
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181,701

Pension and Other Postemployment Benefits Differences

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

Teachers' retirement system	(258,111)	
Employees' retirement system	(64,886)	
Other postemployment benefits	(390,163)	
		(713,160)

Change in Net Position of Governmental Activities	\$	501,972
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REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2024

	<u>Custodial</u>
ASSETS	
Due from governmental funds	\$ 1,293
Due from other governments	<u>458</u>
Total assets	1,751
LIABILITIES	
Due to other governments	<u>1,751</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ -</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2024

	<u>Custodial</u>
ADDITIONS	
Real property taxes and PILOT collected for the Library	\$ 378,042
DEDUCTIONS	
Disbursements of real property taxes and PILOT to the Library	<u>378,042</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (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 is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

B. Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Eastern Suffolk (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §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 General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Custodial Fund - is used to account for real property taxes and PILOT collected on behalf of other governments and disbursed to those governments.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, workers compensation, termination benefits, pension costs, and OPEB, which are recognized as expenditures to the extent they have matured. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

E. Real Property Taxes and Other Tax Items

Calendar

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

The District also levies the real property taxes for the Suffolk Cooperative Library System (Library), which are collected by the town and included in the amounts remitted to the District. The District remits the Library's share of the tax levy to the Library in two installments. These pass-through amounts are not included in the District's real property tax revenues, however, these amounts are accounted for in the custodial fund.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enforcement

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

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

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

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Suffolk County. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments.

G. Restricted Resources

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

H. Interfund Transactions

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables among the funds, with the exception of those due from or to the fiduciary fund.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

I. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, termination benefits, pension costs, OPEB, workers' compensation liabilities, potential contingent liabilities, and useful lives of capital assets.

J. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, and investments with an original maturity date of three months or less from date of acquisition.

Investments are reported at fair value, based on quoted market prices.

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

K. Receivables

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

L. Inventories

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

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

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

M. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and other improvements	\$ 500	50 years
Site improvements	500	20 years
Furniture and equipment	500	5-20 years

N. Other Assets

Other assets represent amounts on deposit that are being held by a third-party administrator for workers' compensation claims.

O. Deferred Outflows of Resources

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

P. 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.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Q. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts in the school food service fund. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

R. Employee Benefits – Compensated Absences

Compensated absences consist of unpaid accumulated sick leave.

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

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

The compensated absence liability is calculated based on the pay rates in effect at year end and an accrual for that liability is included in the district-wide financial statements in the termination benefits liability.

S. Termination Benefits

Termination benefits consist of longevity and increments delayed as specified in collective bargaining agreements. Upon retirement, employees may contractually receive a payment based on this longevity. The liability is calculated in accordance with GASB Statement No. 47 *Accounting for Termination Benefits*. In the fund financial statements, only the amount of matured liabilities is accrued within the general fund.

T. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

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

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

U. 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 is in the general fund.

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

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

V. Deferred Inflows of Resources

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

W. Equity Classifications

District-Wide Statements

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

Net investment in capital assets - Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, and improvements of those assets, net of any unexpended proceeds.

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

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

Fund Statements

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

Nonspendable - Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventories, which are recorded in the school food service fund.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

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

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits primarily based on unused and unpaid sick leave, personal leave, holiday leave, or vacation leave due to an employee upon termination of the employees service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Capital Reserve

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

Repairs Reserve

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

Restricted for Debt

Unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the general fund and held until appropriated for debt payments. These restricted amounts are accounted for in the general fund.

Restricted – Unspent Bond Proceeds

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

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

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Balance Classification

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

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned, or unassigned) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by the budget or any Board approved budget revision, then from the assigned fund balance to the extent appropriated by the Board, and then from the unassigned fund balance.

2. FUTURE ACCOUNTING STANDARDS

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

Effective for the Year Ending	Statement
June 30, 2025	GASB No. 101 – <i>Compensated Absences</i>
June 30, 2025	GASB No. 102 – <i>Certain Risk Disclosures</i>
June 30, 2026	GASB No. 103 – <i>Financial Reporting Model Improvements</i>

GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures.

GASB Statement No. 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

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

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

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental funds Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the acquisition of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted. The following supplemental appropriation occurred during the year:

Repairs to damaged doors and oil tank funded by repair reserve	<u>\$ 300,000</u>
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Budgets are adopted annually on a basis consistent with GAAP.

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

B. Encumbrances

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

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

Investment pool:

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to GML Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated AAAM by S&P Global Ratings. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS portfolio holdings are collateralized in accordance with GML §10.

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2024, was 38 days and the weighted average life (WAL) was 72 days. The carrying amount of these investments is \$6,521,406, which is included as cash in the general fund.

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded as cost, which approximates fair value. The lead participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

6. PARTICIPATION IN BOCES

During the year ended June 30, 2024, the District was billed \$747,332 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$81,009. Financial statements for the BOCES are available from the BOCES administrative offices at 201 Sunrise Highway, Patchogue, New York 11772.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2024 consists of:

General Fund		
New York State - general and excess cost aid	\$	26,284
Special Aid Fund		
State and federal grants		157,224
School Food Service Fund		
State and federal food service program reimbursements		6,787
Capital Projects Fund		
Smart Schools Bond Act		<u>9,183</u>
	\$	<u>199,478</u>

District management expects these amounts to be fully collectible.

8. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2024 consisted of:

General Fund		
New York State - BOCES aid	\$	81,009
Parentally placed student tuition		67,329
PILOT - LIPA		47,125
PILOT - Speonk Property		<u>16,853</u>
	\$	<u>212,316</u>

District management expects these amounts to be fully collectible.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

9. CAPITAL ASSETS

A. Changes

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Governmental activities				
Capital assets that are not depreciated:				
Land	\$ 67,500	\$	\$	\$ 67,500
Construction work in progress	96,509	857,039		953,548
Total capital assets not being depreciated	164,009	857,039	-	1,021,048
Capital assets that are depreciated:				
Buildings and other improvements	5,896,083	116,856		6,012,939
Site improvements	173,523			173,523
Furniture and equipment	1,283,706	8,403		1,292,109
Total capital assets being depreciated	7,353,312	125,259	-	7,478,571
Less accumulated depreciation for:				
Buildings and other improvements	2,498,606	124,940		2,623,546
Site improvements	97,638	11,483		109,121
Furniture and equipment	885,129	63,840		948,969
Total accumulated depreciation	3,481,373	200,263	-	3,681,636
Total capital assets being depreciated, net	3,871,939	(75,004)	-	3,796,935
Capital assets, net	\$ 4,035,948	\$ 782,035	\$ -	\$ 4,817,983

Depreciation expense was charged to governmental functions as follows:

General support	\$ 169,356
Instruction	27,307
Food service program	3,600
Total depreciation expense	\$ 200,263

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2024, the District has not recorded any such impairment losses.

10. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2024 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General fund	\$ 165,504	\$ 292,109	\$ 9,183	\$ 331,670
Special aid fund		157,919	16,670	
School food service fund		7,585	15,000	
Capital projects fund	290,816		300,000	9,183
Total Governmental Funds	456,320	457,613	\$ 340,853	\$ 340,853
Custodial Fund	1,293			
	<u>\$ 457,613</u>	<u>\$ 457,613</u>		

The District typically transfers from the general fund to the special aid fund and the school food service fund in accordance with the general fund budget. The transfer to the special aid fund from the general fund is to provide the District's 20% share of the summer program for students with disabilities. The transfer to the school food service fund from the general fund is to provide support for the program per the approved budget.

The transfer to the capital projects fund was a voter approved use of capital reserve and was a general fund budget revision. The transfer from the capital projects fund to the general fund represents the return of smart school bond reimbursements originally funded by the general fund.

11. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Balance June 30, 2023	Issued	Redeemed	Balance June 30, 2024
TAN	3/20/2024	5.00%	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -

The TAN was issued to provide cash flow for the District until real property taxes are received from the Town. Interest on short-term debt for the year was \$19,306, net of a premium of \$200, to yield an effective interest rate of 4.95%.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. LONG-TERM LIABILITIES

A. Changes

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 2,380,000	\$	\$ (175,000)	\$ 2,205,000	\$ 175,000
Premium on obligation	43,256		(6,556)	36,700	6,056
	<u>2,423,256</u>	<u>-</u>	<u>(181,556)</u>	<u>2,241,700</u>	<u>181,056</u>
Other long-term liabilities:					
Termination benefits payable	255,950	57,250		313,200	
Workers' compensation	37,893	29,455	(23,567)	43,781	
Total OPEB liability	<u>12,952,143</u>	<u>517,776</u>	<u></u>	<u>13,469,919</u>	<u>362,265</u>
Total long-term liabilities	<u>\$ 15,669,242</u>	<u>\$ 604,481</u>	<u>\$ (205,123)</u>	<u>\$ 16,068,600</u>	<u>\$ 543,321</u>

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

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

For total OPEB liability, please see subsequent section titled "Postemployment Healthcare Benefits" for additional information.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
School District Serial Bonds	6/16/2020	6/15/2035	2.00%	<u>\$ 2,205,000</u>

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 175,000	\$ 44,100	\$ 219,100
2026	175,000	40,600	215,600
2027	175,000	37,100	212,100
2028	175,000	33,600	208,600
2029	200,000	30,100	230,100
2030-2034	1,080,000	88,700	1,168,700
2035	225,000	4,500	229,500
Total	<u>\$ 2,205,000</u>	<u>\$ 278,700</u>	<u>\$ 2,483,700</u>

C. Premium on Obligation

In the District-wide statements, the District is amortizing the premium received on bonds as a component of interest expense on a weighted average basis as follows:

Year Ending June 30,	Amortization of Premium
2025	\$ 6,056
2026	5,555
2027	5,055
2028	4,554
2029	4,018
2030-2034	11,139
2035	323
Total	<u>\$ 36,700</u>

D. Interest Expense

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

Interest paid	\$ 47,600
Less interest accrued in the prior year	(1,983)
Plus interest accrued in the current year	1,838
Less amortization of premium	<u>(6,556)</u>
Total interest expense on long-term debt	<u>\$ 40,899</u>

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

13. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found on www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to the ERS or 3.5% of their salary to the TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.29% of covered payroll for the TRS' fiscal year ended June 30, 2023. The District's average contribution rate was 11.88% of covered payroll for the ERS' fiscal year ended March 31, 2024.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2024, was \$377,549 for TRS at the contribution rate of 10.29% and \$89,213 for ERS at an average contribution rate of 12.97%.

D. Retirement Incentive

The District has a retirement incentive that is offered to teachers having achieved a minimum of 15 years of service. Teachers who have attained 15 to 19 years of service are eligible to receive a \$10,000 incentive upon retiring. Teachers who have attained 20+ years of service at the District receive an incentive equal to \$1,000 times their number of years of service. The total maximum retirement incentive payout is \$30,000. The current estimated value of the incentive is \$273,200 and is recorded as a long-term liability in the Statement of Net Position.

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) were measured as of June 30, 2023, for TRS and March 31, 2024 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
District's proportionate share of the net pension liability	\$ (215,909)	\$ (329,586)
District's portion of the Plan's net pension liability	0.018880%	0.0022384%
Change in proportion since the prior measurement date	(0.000078)	(0.0003835)

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the year ended June 30, 2024, the District recognized a pension expense of \$625,510 for TRS and \$154,574 for ERS. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 523,522	\$ 106,159	\$ 1,294	\$ 8,987
Changes of assumptions	464,846	124,609	101,311	
Net difference between projected and actual earnings on pension plan investments	110,368			161,001
Changes in proportion and differences between the District's contributions and proportionate share of contributions	39,558	33,363	28,348	33,862
District contributions subsequent to the measurement date	367,510	21,876		
Total	<u>\$ 1,505,804</u>	<u>\$ 286,007</u>	<u>\$ 130,953</u>	<u>\$ 203,850</u>

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

Year Ending June 30,	TRS	ERS
2025	\$ 96,482	\$ (51,034)
2026	(102,944)	64,158
2027	866,024	89,560
2028	64,774	(42,403)
2029	50,287	
Thereafter	32,718	
	<u>\$ 1,007,341</u>	<u>\$ 60,281</u>

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Actuarial valuation date	June 30, 2022	April 1, 2023
Inflation	2.40%	2.90%
Salary increases	1.95-5.18%	4.40%
Investment rate of return (net of investment expense, including inflation)	6.95%	5.90%
Cost of living adjustments	1.30%	1.50%

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021 for June 30, 2023 and June 30, 2022, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions for the measurement of total pension liability.

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* and generally accepted accounting principles. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

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

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

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2023		March 31, 2024
Asset class				
Domestic equity	33.0%	6.80%	32.0%	4.00%
International equity	15.0%	7.60%	15.0%	6.65%
Global equity	4.0%	7.20%		
Real estate equity	11.0%	6.30%	9.0%	4.60%
Private equity	9.0%	10.10%	10.0%	7.25%
Alternative investments			10.0%	5.25-5.79%
Domestic fixed income	16.0%	2.20%		
Global bonds	2.0%	1.60%		
High-yield bonds	1.0%	4.40%		
Fixed income			23.0%	1.50%
Private debt	2.0%	6.00%		
Real estate debt	6.0%	3.20%		
Cash equivalents	1.0%	0.30%		
Cash			1.0%	0.25%
	100.0%		100.0%	

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRS			
District's proportionate share of the net pension asset/(liability)	\$ (3,288,403)	\$ (215,909)	\$ 2,368,191
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
District's proportionate share of the net pension asset/(liability)	\$ (1,036,252)	\$ (329,586)	\$ 260,627

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:

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

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NOTES TO FINANCIAL STATEMENTS
(Continued)

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the system in September, October, and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024, represent employer and employee contributions for the fiscal year ended June 30, 2024, 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. Accrued retirement contributions as of June 30, 2024 amounted to \$367,510 of employer contributions and \$25,007 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$21,876 of employer contributions. Employee contributions are remitted monthly.

14. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions based on collectively bargained agreements. Contributions made by employees for the year ended June 30, 2024, totaled \$280,058.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2024 totaled \$15,990.

15. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through Empire Blue Cross Blue Shield. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Employees Covered by Benefit Terms – At July 1, 2023, the following employees were covered by the benefit terms:

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>29</u>
	<u><u>60</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$13,469,919 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

Inflation	2.40%
Salary increases	2.40% average, including inflation
Discount rate	3.93%
Healthcare cost trend rates	6.60% to 3.80% over 54 years
Retirees' share of benefit-related costs	5 - 40% of projected health insurance premiums for retirees

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

Mortality rates were based on PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching Positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity. The July 1, 2021 valuation used mortality rates that were consistent with the mortality rates used in the July 1, 2023 valuation.

The plan has not had a formal actuarial experience study performed.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 12,952,143</u>
Changes for the year	
Service cost	399,888
Interest on total OPEB liability	480,797
Changes of benefit terms	
Differences between expected and actual experience	566,875
Changes in assumptions or other inputs	(567,519)
Benefit payments	<u>(362,265)</u>
	<u>517,776</u>
Balance at June 30, 2024	<u><u>\$ 13,469,919</u></u>

As of the June 30, 2024 measurement date, the following actuarial assumption was changed:

- The discount rate used for the valuation was changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

OPEB	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	<u><u>\$ (15,806,815)</u></u>	<u><u>\$ (13,469,919)</u></u>	<u><u>\$ (11,600,658)</u></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 (5.60 to 2.80%) or 1 percentage point higher (7.60 to 4.80%) than the current healthcare cost trend rate:

OPEB	1% Decrease 5.60% decreasing to 2.80%	Healthcare Cost Trend Rates 6.60% decreasing to 3.80%	1% Increase 7.60% decreasing to 4.80%
Total OPEB liability	<u><u>\$ (11,329,553)</u></u>	<u><u>\$ (13,469,919)</u></u>	<u><u>\$ (16,246,823)</u></u>

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year June 30, 2024, the District recognized OPEB expense of \$752,428. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 3,521,492	\$
Changes of assumptions or other inputs	1,099,214	3,537,099
Total	<u>\$ 4,620,706</u>	<u>\$ 3,537,099</u>

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

Year Ending June 30,	Amount
2025	\$ (95,768)
2026	205,156
2027	451,916
2028	276,222
2029	233,576
Thereafter	12,505
	<u>\$ 1,083,607</u>

16. RISK MANAGEMENT

A. General Information

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves, public entity risk pools, and commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

B. Public Entity Risk Pool – Risk Retained

The District participates in a risk sharing pool, the East End Workers' Compensation Consortium (EEWCC), to insure workers' compensation claims. This public entity risk pool was created under Article 5 of Workers' Compensation Law, to evaluate, process, administer, and pay workers' compensation claims. The District retains the risk of loss.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

(Continued)

The District pays an annual assessment to the pool for its workers' compensation claims coverage and related expenses. The EEWCC has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the District's loss experience. The EEWCC established a non-discounted liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

The District's liability for incurred but unpaid claims and incurred but not reported claims at June 30, 2024, as processed by the EEWCC, is \$43,781. Claims activity is summarized as follows:

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Claims at beginning of year	\$ 40,562	\$ 37,893
Incurred claims and claim adjustment expenses	21,443	29,455
Claims payments and expenses	<u>(24,112)</u>	<u>(23,567)</u>
Claims liabilities at end of year	<u>\$ 37,893</u>	<u>\$ 43,781</u>

The EEWCC is holding \$184,607 of cash on account for the District to satisfy these liabilities at June 30, 2024. In addition, the District has reserved \$325,064 in the general fund for potential supplemental assessments due to catastrophic losses and future claims.

The EEWCC has issued financial statements for the year ended June 30, 2024. Copies of these statements can be obtained from the District's Business Office.

C. Public Entity Risk Pool – Risk Sharing

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

D. Health Benefit Program

The District participates in a health benefit program for its employees through the East End Health Plan, a consortium of school districts from the east end of Long Island. The benefit program's administrator is responsible for the approval, processing, and payment of claims. This is billed to the District at an established rate based on the number of participants. The District is responsible for monthly contributions, based on participant coverage at a rate established by the Plan's Board of Directors, to cover the Plan's anticipated benefits and administrative costs. The plan reports on a June 30th year-end. In the event the plan experiences a shortfall, a special assessment against participating districts may be imposed. The District is not aware of any additional assessments related to claims incurred through June 30, 2024.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

17. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2024 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2025.

Retirement contributions	
Teachers' retirement system	\$ 65,000
Employees' retirement system	35,000
	<u>\$ 100,000</u>

18. ASSIGNED APPROPRIATED FUND BALANCE

The amount of \$1,167,510 has been appropriated to reduce taxes for the year ending June 30, 2025.

19. RESTRICTED FOR CAPITAL RESERVE

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

Date Created	May 2004	May 2017	May 2023	
Number of Years to Fund	10	10	10	
Maximum Funding	<u>\$ 500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 3,000,000</u>	
				<u>Total</u>
General Fund				
Funding Provided	\$ 500,000	\$ 1,500,000	\$ 2,791,821	\$ 4,791,821
Interest Earnings	73,599	126,525	-	200,124
Use of Reserve	<u>(573,599)</u>	<u>(1,626,525)</u>	<u>-</u>	<u>(2,200,124)</u>
Total General Fund	<u>-</u>	<u>-</u>	<u>2,791,821</u>	<u>2,791,821</u>
Capital Projects Fund				
Funding Provided	573,599	1,626,525	-	2,200,124
Use of Reserve	<u>(546,853)</u>	<u>(620,775)</u>	<u>-</u>	<u>(1,167,628)</u>
Total Capital Projects Fund	<u>26,746</u>	<u>1,005,750</u>	<u>-</u>	<u>1,032,496</u>
Balance as of June 30, 2024	<u>\$ 26,746</u>	<u>\$ 1,005,750</u>	<u>\$ 2,791,821</u>	<u>\$ 3,824,317</u>

20. TAX ABATEMENTS

The Town of Southampton enters into various property tax abatement programs for the purpose of economic development. The District received payments totaling \$16,854. The amount by which the District's property taxes were reduced is unavailable.

In addition, the District recognized \$45,879 in LIPA PILOT, which is included in "other tax items" revenue; however, these payments are not the result of a tax abatement.

REMSENBURG - SPEONK UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

21. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

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

Restricted Fund Balance:

Capital Projects Fund	
Capital Projects	\$ 695,261

Assigned: Unappropriated Fund Balance

General Fund	
General Support	59,366
Instruction	13,967
	<u>73,333</u>
	<u>\$ 768,594</u>

B. Grants

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

22. SUBSEQUENT EVENTS

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

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 13,768,743	\$ 13,768,743	\$ 13,785,148	\$ 16,405
Other tax items	143,046	143,046	136,032	(7,014)
Charges for services	88,100	88,100	394,429	306,329
Use of money and property	25,300	25,300	326,397	301,097
Miscellaneous			301,470	301,470
Total Local Sources	14,025,189	14,025,189	14,943,476	918,287
State Sources	711,256	711,256	674,924	(36,332)
Total Revenues	14,736,445	14,736,445	15,618,400	\$ 881,955
OTHER FINANCING SOURCES				
Operating Transfers In			9,183	9,183
Total Revenues and Other Sources	14,736,445	14,736,445	15,627,583	\$ 891,138
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	1,267,510	1,417,696		
Prior Year's Encumbrances	42,221	42,221		
Appropriated Reserves		149,814		
Total Appropriated Fund Balance	1,309,731	1,609,731		
Total Revenues and Appropriated Fund Balance	\$ 16,046,176	\$ 16,346,176		

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.

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 26,024	\$ 27,156	\$ 25,422	\$	\$ 1,734
Central administration	333,885	334,885	326,974		7,911
Finance	313,661	298,271	195,428	45,050	57,793
Staff	63,054	64,079	62,660		1,419
Central services	586,689	622,188	517,407	14,316	90,465
Special items	110,135	117,434	114,534		2,900
Total General Support	1,433,448	1,464,013	1,242,425	59,366	162,222
Instruction					
Administration & improvement	258,733	272,819	235,191		37,628
Teaching - regular school	5,102,728	5,202,934	5,076,406	47	126,481
Programs for students with disabilities	4,954,520	4,752,230	3,739,244		1,012,986
Occupational education	58,118	122,083	122,083		-
Teaching - special schools	5,000	5,000	1,634		3,366
Instructional media	448,592	448,592	423,508	13,920	11,164
Pupil services	248,220	260,451	233,249		27,202
Total Instruction	11,075,911	11,064,109	9,831,315	13,967	1,218,827
Pupil Transportation	885,253	885,253	771,005		114,248
Community Services	3,081	3,096	2,631		465
Employee Benefits	2,365,559	2,345,435	2,227,239		118,196
Debt Service					
Principal	175,000	175,000	175,000		-
Interest	77,600	77,600	66,906		10,694
Total Debt Service	252,600	252,600	241,906	-	10,694
Total Expenditures	16,015,852	16,014,506	14,316,521	73,333	1,624,652
OTHER FINANCING USES					
Operating Transfers Out	30,324	331,670	331,670		-
Total Expenditures and Other Uses	\$ 16,046,176	\$ 16,346,176	14,648,191	\$ 73,333	\$ 1,624,652
Net Change in Fund Balance			979,392		
Fund Balance - Beginning of Year			5,092,589		
Fund Balance - End of Year			\$ 6,071,981		

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.

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
Last Ten Fiscal Years

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.018880%	0.018958%	0.018607%	0.019090%	0.018594%	0.019787%	0.019824%	0.020171%	0.020908%	0.020464%
District's proportionate share of the net pension asset/(liability)	\$ (215,909)	\$ (363,792)	\$ 3,224,459	\$ (527,510)	\$ 483,065	\$ 357,808	\$ 150,682	\$ (216,041)	\$ 2,171,723	\$ 2,279,587
District's covered payroll	\$ 3,486,973	\$ 3,358,540	\$ 3,158,247	\$ 3,240,190	\$ 3,103,584	\$ 3,222,857	\$ 3,141,442	\$ 3,239,597	\$ 3,266,591	\$ 3,119,184
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.19 %	10.83 %	102.10 %	16.28 %	15.56 %	11.10 %	4.80 %	6.67 %	66.48 %	73.08 %
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0022384%	0.0026219%	0.0024059%	0.0019774%	0.0016782%	0.0017031%	0.0017643%	0.0018399%	0.0019466%	0.0020191%
District's proportionate share of the net pension asset/(liability)	\$ (329,586)	\$ (562,243)	\$ 196,675	\$ (1,969)	\$ (444,395)	\$ (120,666)	\$ (56,942)	\$ (172,885)	\$ (312,440)	\$ (68,211)
District's covered payroll	\$ 763,187	\$ 744,065	\$ 681,341	\$ 615,936	\$ 534,128	\$ 592,328	\$ 616,191	\$ 618,151	\$ 595,206	\$ 616,060
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	43.19 %	75.56 %	28.87 %	0.32 %	83.20 %	20.37 %	9.24 %	27.97 %	52.49 %	11.07 %
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Note to Required supplementary Information

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

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of District Pension Contributions
Last Ten Fiscal Years

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 377,549	\$ 358,809	\$ 329,137	\$ 300,981	\$ 287,081	\$ 329,600	\$ 315,840	\$ 368,177	\$ 412,731	\$ 550,337
Contributions in relation to the contractually required contribution	377,549	358,809	329,137	300,981	287,081	329,600	315,840	368,177	412,731	550,337
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,669,090	\$ 3,486,973	\$ 3,358,540	\$ 3,158,247	\$ 3,240,190	\$ 3,103,584	\$ 3,222,857	\$ 3,141,442	\$ 3,239,597	\$ 3,266,591
Contributions as a percentage of covered payroll	10%	10%	10%	10%	9%	11%	10%	12%	13%	17%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 89,213	\$ 73,892	\$ 97,833	\$ 97,204	\$ 76,360	\$ 92,995	\$ 89,482	\$ 95,761	\$ 98,928	\$ 113,193
Contributions in relation to the contractually required contribution	89,213	73,892	97,833	97,204	76,360	92,995	89,482	95,761	98,928	113,193
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 687,680	\$ 673,457	\$ 775,921	\$ 718,572	\$ 641,219	\$ 539,588	\$ 568,610	\$ 623,516	\$ 596,043	\$ 616,190
Contributions as a percentage of covered payroll	13%	11%	13%	14%	12%	17%	16%	15%	17%	18%

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 399,888	\$ 394,174	\$ 588,744	\$ 264,888	\$ 352,195	\$ 407,638	\$ 474,185
Interest on total OPEB liability	480,797	433,456	222,809	271,895	411,922	381,411	304,234
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	566,875	-	4,830,128	-	15,497	-	785,527
Changes of assumptions or other inputs	(567,519)	454,084	(3,166,822)	1,962,404	(3,690,987)	(546,142)	(1,330,558)
Benefit payments	(362,265)	(356,730)	(346,558)	(205,945)	(253,993)	(249,522)	(259,521)
Net change in total OPEB liability	517,776	924,984	2,128,301	2,293,242	(3,165,366)	(6,615)	(26,133)
Total OPEB liability, beginning	12,952,143	12,027,159	9,898,858	7,605,616	10,770,982	10,777,597	10,803,730
Total OPEB liability, ending	<u>\$ 13,469,919</u>	<u>\$ 12,952,143</u>	<u>\$ 12,027,159</u>	<u>\$ 9,898,858</u>	<u>\$ 7,605,616</u>	<u>\$ 10,770,982</u>	<u>\$ 10,777,597</u>
Covered employee payroll	\$ 3,486,520	\$ 3,140,537	\$ 3,140,537	\$ 2,706,124	\$ 2,745,978	\$ 2,637,595	\$ 2,554,399
Total OPEB liability as a percentage of covered employee payroll	386.34%	412.42%	382.97%	365.79%	276.97%	408.36%	421.92%
Discount rate	3.93%	3.65%	3.54%	2.21%	3.50%	3.87%	3.58%
Healthcare trend rates	6.6% to 3.8% over 54 years	6.4% to 3.8% over 54 years	5.1% to 4.1% over 54 years	5.5% to 4.5%	6.0% to 4.5%	6.5% to 4.5%	7.0% to 4.5%

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

Note to Required supplementary Information

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

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 16,003,955
Additions:	
Prior year's encumbrances	<u>42,221</u>
Original Budget	16,046,176
Budget Revisions	<u>300,000</u>
Final Budget	<u><u>\$ 16,346,176</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	<u><u>\$ 16,325,670</u></u>
Maximum allowed (4% of 2024-2025 budget)	<u><u>\$ 653,027</u></u>

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

Unrestricted fund balance:		
Assigned fund balance	\$ 1,240,843	
Unassigned fund balance	<u>653,025</u>	
		\$ 1,893,868

Less:		
Appropriated fund balance	1,167,510	
Encumbrances	<u>73,333</u>	
Total adjustments		<u>1,240,843</u>

General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 653,025</u></u>
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Actual Percentage	4.00%
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REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources -
Capital Projects Fund
For the Year Ended June 30, 2024

PROJECT TITLE	Budget June 30, 2023	Budget June 30, 2024	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources	Total	
Roof replacement	\$ 792,588	\$ 792,588	\$ 792,588	\$	\$ 792,588	\$ -	\$ 792,588	\$	\$	\$ 792,588	\$ -
Parking lot/millwork	266,679	222,609	222,609		222,609	-	222,609			222,609	-
Interior renovations	513,500	639,946	468,335	116,856	585,191	54,755	639,946			639,946	54,755
HVAC improvements	462,055	393,636	393,636		393,636	-	393,636			393,636	-
Plumbing improvements	33,000	19,044	19,044		19,044	-	19,044			19,044	-
Electrical improvements	148,465	148,465	148,465		148,465	-	148,465			148,465	-
Doors/Lockdown function	175,996	175,996	175,996		175,996	-	175,996			175,996	-
Architect & other soft cost	512,717	512,716	512,716		512,716	-	512,716			512,716	-
Capital reserve											
Interior and Garage Renovations	1,836,230	1,836,230	96,509	857,038	953,547	882,683			1,836,230	1,836,230	882,683
WIFI, repair, reconstruction & upgrades		300,000			-	300,000			300,000	300,000	300,000
	<u>\$ 4,741,230</u>	<u>\$ 5,041,230</u>	<u>\$ 2,829,898</u>	<u>\$ 973,894</u>	<u>\$ 3,803,792</u>	<u>\$ 1,237,438</u>	<u>\$ 2,905,000</u>	<u>\$ -</u>	<u>\$ 2,136,230</u>	<u>\$ 5,041,230</u>	<u>\$ 1,237,438</u>

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2024

Capital assets, net	<u>\$ 4,817,983</u>
Deduct:	
Short-term portion of bonds payable	175,000
Long-term portion of bonds payable	2,030,000
Premium on bonds payable	36,700
Less: Unspent Bond proceeds	<u>(54,755)</u>
	<u>2,186,945</u>
Net investment in capital assets	<u><u>\$ 2,631,038</u></u>

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

The Board of Education
Remsenburg-Speonk Union Free School District
Remsenburg, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Remsenburg-Speonk Union Free School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 8, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 required to be reported under Government Auditing Standards.

Purpose of This Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2024