

STATEMENT

OF

ANNUAL FINANCIAL AND OPERATING INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT

SUFFOLK COUNTY, NEW YORK

DATED: NOVEMBER 19, 2025



**REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK**

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* * *

MUNICIPAL ADVISOR



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**STATEMENT OF ANNUAL FINANCIAL
AND OPERATING INFORMATION**
REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

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

\$2,905,000 School District Serial Bonds – 2020

THE DISTRICT

Description

The District is located in the western part of the Town of Southampton, Suffolk County, New York. The professional and commercial centers of Riverhead and Patchogue are within close proximity.

The area is entirely residential in character. Residential construction continues at a moderate pace. Residents find employment within the District and, among other places, at nearby industrial plants, Brookhaven National Laboratory, The Internal Revenue Center in Holtsville, and Tanger Outlet Shopping Mall complex in Riverhead. The area is also known for its summer population, as many summer residents maintain second homes in the area.

Vehicular transportation is served by a network of Town, County and State roads. The accessibility of the District to and from the Metropolitan Area has been improved by the Sunrise Highway, Southern State Highway, and the Long Island Expressway. Rail transportation is furnished by the Metropolitan Transportation Authority (Long Island Rail Road) through the nearby Speonk station.

Recreational facilities, available to residents of the District, include Town and County beaches and marinas.

Higher Education facilities are available at The State University of New York at Stony Brook and Southampton, Suffolk Community College in Selden and Riverhead, and St. Josephs College in Patchogue.

Police protection is provided by the Southampton Town Police Department and fire protection is provided by Eastport Fire District.

District Organization

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

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

Enrollment History

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

<u>School Year</u>	<u>School Enrollment</u>
2019-2020	308
2020-2021	332
2021-2022	325
2022-2023	304
2023-2024	296
2024-2025	291

a. Source: District Officials.

Projected Future Enrollment

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

<u>School Year</u>	<u>School Enrollment</u>
2025-2026	282
2026-2027	256
2027-2028	247

a. Source: District Officials.

Employees

The District has approximately 50 employees, 26 of which are represented by Remsenburg-Speonk Teacher's Association. The contract expires June 30, 2027. The remaining employees are not represented by organized labor.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics.

<u>Year</u>	<u>Town of Southampton</u>	<u>Suffolk County</u>
2000	54,712	1,419,369
2010	56,790	1,493,350
2020	59,852	1,525,920
2023	69,697	1,523,170

Source: U.S. Bureau of the Census.

Income Data

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

	<u>Per Capita Money Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
Remsenburg-Speonk UFSD	-	\$44,985	\$60,753	\$145,570
Town of Southampton	\$31,320	47,111	56,189	70,247
County of Suffolk	26,577	30,948	46,466	53,222

	<u>Median Household Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
Remsenburg-Speonk UFSD	-	\$71,250	\$137,222	\$216,080
Town of Southampton	\$53,887	89,560	100,722	113,655
County of Suffolk	72,112	96,220	105,362	124,045

Source: United States Bureau of the Census.

a. Based on American Community Survey 5-Year Estimate (2019-2023).

Selected Listing of Larger Employers in the Town of Southampton ^a
(As of 2025)

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Southampton Hospital	Hospital	1,200
Town of Southampton	Local Government	528
Southampton UFSD	School District	424
Corcoran Group	Real Estate	350
Bridgehampton National Bank	Commercial Banks	245
Dunn Engineering	Engineering	100
Southampton Inn	Hotel	90
Maran Corporate Risk Associates	Insurance	93
Southampton Press	Newspaper	50
Hampton Coach	Limousine Service	50
Storms Motors	Automotive Dealer	40

Source: Town of Southampton.

a. Not necessarily representative of the District.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Town of Southampton (%)</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2020	7.8	8.5	10.0
2021	4.5	4.5	6.9
2022	3.4	3.1	4.4
2023	2.8	3.2	4.2
2024	3.8	3.5	4.3
2025 (YTD Average)	3.6	3.5	4.2

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE DISTRICT

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin (As of November 19, 2025)

In Town of:	Assessed Valuation	State Equalization Rate (%)	Full Valuation
Southampton (2024-2025) ^a	\$2,484,013,341	63.00%	\$3,942,878,319
Debt Limit - 10% of Full Valuation			\$394,287,832
Inclusions: ^b			
Outstanding Bonds			\$2,030,000
Bond Anticipation Notes			0
Total Indebtedness			2,030,000
Exclusions (Estimated Building Aid) ^c			203,000
Total Net Indebtedness			1,827,000
Net Debt Contracting Margin			\$392,460,832
Per Cent of Debt Contracting Margin Exhausted			0.46%

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

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

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

Details of Short-Term Indebtedness Outstanding

As of the date of this Statement, the District has tax anticipation notes outstanding in the amount of \$1,500,000 that mature on June 24, 2026. Such notes will be redeemed at maturity with the receipt of the District's tax levy.

Trend of Outstanding Indebtedness

As of June 30:

	Fiscal Year Ending June 30:				
	2021	2022	2023	2024	2025
Bonds	\$2,730,000	\$2,555,000	\$2,380,000	\$2,205,000	\$2,030,000
BANs	-	-	-	-	-
Installment Purchase Debt	-	-	-	-	-
Totals	\$2,730,000	\$2,555,000	\$2,380,000	\$2,205,000	\$2,030,000

Sources: Audited Financial Statements.

Debt Service Requirements - Outstanding Bonds ^a

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	200,000	26,100	226,100
2031	205,000	22,100	227,100
2032	225,000	18,000	243,000
2033	225,000	13,500	238,500
2034	225,000	9,000	234,000
2035	225,000	4,500	229,500
Totals:	<u>\$2,030,000</u>	<u>\$234,600</u>	<u>\$2,264,600</u>

Source: Audited Financial Statements

a. Does not include payments made to date.

Tax Anticipation Notes

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

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

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>	<u>Issue</u>	<u>Maturity</u>
2021	\$1,200,000	11/23/2020	06/25/2021
2022	1,200,000	11/04/2021	06/24/2022
2023	1,200,000	10/26/2022	03/15/2023
2024	1,200,000	11/01/2023	03/20/2024
2025	1,500,000	11/07/2024	06/24/2025

Authorized and Unissued Debt

As of the date of this Statement, the District has no authorized but unissued items.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk	06/25/2025	0.60	\$7,592,856	\$6,255,050
Town of Southampton	09/26/2025	2.86	3,205,631	2,917,174
Eastport Fire District	12/31/2024	100.00	<u>1,250,000</u>	<u>1,250,000</u>
Totals:			<u>\$12,048,487</u>	<u>\$10,422,224</u>

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

Debt Ratios (As of November 19, 2025)

	<u>Amount</u>	<u>Per Capita ^a</u>	<u>Percentage of Full Value (%) ^b</u>
Total Direct Debt	\$2,030,000	\$1,580	0.051
Net Direct Debt	1,827,000	1,422	0.046
Total Direct & Applicable Total Overlapping Debt	14,078,487	10,956	0.357
Net Direct & Applicable Net Overlapping Debt	12,249,224	9,532	0.311

a. The current population of the District is 1,285.

b. The full valuation of taxable real property in the District for 2024-25 is \$3,942,878,319.

FINANCES OF THE DISTRICT

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2025. A copy of such report is included herein as Appendix C.

Investment Policy

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

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

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

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

Fund Structure and Accounts

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

Basis of Accounting

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

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

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

Source: Audited Financials of the District.

Budget Process

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

On May 20, 2025, a majority of the voters of the District approved the District's budget for the 2025-2026 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2024-2025 and for 2025-2026 may be found in Appendix A, herein.

Revenues

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

Real Property Taxes

See "*Tax Information*" herein.

State Aid

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

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

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

As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a *hold harmless* provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s current fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline), the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

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

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

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2021 through 2025, and the amounts budgeted for 2026.

<u>Fiscal Year Ending June 30:</u>	<u>General Fund Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2021	\$14,243,084	\$712,769	5.00
2022	14,195,896	542,010	3.82
2023	14,831,961	647,335	4.36
2024	15,618,400	674,924	4.32
2025	15,553,986	660,552	4.25
2026 (Budgeted) ^a	16,794,247	688,236	4.10

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

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

State Aid Litigation

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

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding State funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, was initiated in 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity

cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement required New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth below:

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

See also “*State Aid*” herein.

State Aid History

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

The State’s 2021-22 Enacted Budget also programmed \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State’s 2021-22 Enacted Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State’s 2021-22 Enacted Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

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

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

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

School district fiscal year (2024-2025): The State’s 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintains the “save harmless” provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula. (See also “*State Aid*” herein.)

School district fiscal year (2025-2026): The State’s 2025-26 Enacted Budget provides \$37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion or 5.6 percent Foundation Aid increase. The State’s 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

Expenditures

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

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

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

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

The most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 0.0%; Environmental Score: 20.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local school district officials manage school district resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local school district statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released January 13, 2023. The purpose of such audit was to determine whether the District claimed Medicaid reimbursements for all eligible Medicaid services provided. The complete report, together with the District's response, may be found on the OSC's official website.

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Statement.

Employee Pension System

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

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

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more. As of April 20, 2024, the final average salary for Tier 6 members is based on the wages earned during any three consecutive years that provide the highest average salary. Previously, this was determined based on the five consecutive years that provided the highest average salary.

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

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

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

The following chart represents the TRS and ERS required contributions for each of the last five completed fiscal years and the budgeted amount for 2026.

Fiscal Year Ending June 30:	TRS	ERS
2021	\$309,714	\$ 93,026
2022	326,017	93,548
2023	358,809	73,892
2024	367,421	81,470
2025	413,765	84,421
2026 (Budgeted)	394,477	103,976

Source: District Officials.

Other Post-Employment Benefits

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

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

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

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

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

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District’s total OPEB liability at June 30, 2025 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending June 30:
Balance at June 30, 2024	<u>\$13,469,919</u>
Changes for the Year	
Service Cost	380,807
Interest	536,586
Changes of Benefit Terms	-
Differences between Expected and Actual Experience	
Changes in Assumptions or Other Inputs	(2,379,291)
Benefit Payments	<u>(398,141)</u>
	<u>(1,860,039)</u>
Balance at June 30, 2025	<u><u>\$11,609,880</u></u>

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

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

TAX INFORMATION

Real Property Taxes

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

The following table sets forth the percentage of the District’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2021 through 2025, and the amounts budgeted for 2026.

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2021	\$14,243,084	\$12,972,646	91.08
2022	14,195,896	13,100,372	92.28
2023	14,831,961	13,429,182	90.54
2024	15,618,400	13,785,148	88.26
2025	15,553,986	14,197,629	91.28
2026 (Budgeted) ^a	16,794,247	14,731,820	87.72

Source: Audited Financial Statements of the District and Adopted Budgets of the District. Budgeted revenues include the application of reserves and fund balance.

Tax Collection Procedure

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

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

The Tax Levy Limit Law

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

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

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

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

STAR - School Tax Exemption

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

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

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

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

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

Approximately 0.46% of the District's 2024-2025 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 0.45% of the District's 2025-2026 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2026. (See "*State Aid*" herein).

Valuations, Rates and Levies

The following table sets forth District's assessed and full valuations, tax rates and levies for each of the years 2021 through 2025.

Fiscal Year Ending June 30:	Assessed Valuation	State Equal. Rate (%)	Full Valuation	Tax Levy	Per \$1000 of Assessed Val.
2021	\$2,400,705,612	100.00	\$2,400,705,612	\$12,972,646	5.40
2022	2,407,361,454	100.00	2,407,361,454	13,092,485	5.40
2023	2,430,532,306	79.00	3,076,623,172	13,508,082	5.52
2024	2,457,464,567	69.50	3,535,920,240	14,263,243	5.41
2025	2,484,013,341	63.00	3,942,878,319	14,731,820	5.51

Selected Listing of Large Taxable Properties in the District 2024-2025 Assessment Roll ^a

Name	Type	Assessed Valuation
Westhampton Property Associates	Real Estate	\$9,240,100
William Gallo	Residential	8,432,600
Gerald Musano	Residential	8,269,300
Steven Star	Residential	7,840,800
Educational Resources LLC	Commercial	7,498,900
Westhampton House Inc.	Real Estate	7,376,400
3-D Associates, Inc.	Commercial	6,835,300
Cedar Lane Qualified Personal Residence Trust	Commercial	6,621,400
Dennis Newman	Residential	6,535,900
Utilities & Industries Management Corp.	Commercial	6,206,100
Estera Stawski	Residential	6,085,900
Clifford M Cooper	Residential	5,946,600
See Dreams, LLC	Commercial	5,881,200
693 Dune Road, LLC	Commercial	5,845,600
Sommer Rolling Meadows Family	Commercial	5,740,500
Total ^b		<u>\$104,356,600</u>

a. Assessment Roll established in 2024 for levy and collection of taxes during 2025 Fiscal Year.

b. Represents 4.20% of the Assessed Valuation of the District for 2024-2025.

Source: Town Assessment Roll.

LITIGATION

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

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. To mitigate such risk the District has contracted with an outside technology firm to assist in the prevention detection and remediation of any such attacks. In addition, the District maintains an insurance policy covering cyber liability. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

RATING

S&P Global Ratings (“S&P”) 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, has assigned a rating of “AA+” to the outstanding Bonds of the District. The rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Notes or the availability of a secondary market for such Notes.

MUNICIPAL ADVISOR

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

ADDITIONAL INFORMATION

Additional information may be obtained from the office of Lisa Smith, Business Manager, Remsenburg-Speonk Union Free School District, Mill Road, P.O. Box 900, Remsenburg, NY 11960, Phone (631) 325-0203, Fax (631) 325-8439 and email: smith@rsufsd.org or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888.

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

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

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT

November 19, 2025

APPENDIX A

FINANCIAL INFORMATION

Balance Sheet
General Fund

	Fiscal Year Ending June 30:	
	<u>2024</u>	<u>2025</u>
Assets:		
Cash and Cash Equivalents	\$ 7,238,710	\$ 7,595,098
Due From Other Funds	165,504	123,657
Due From State & Federal	26,284	24,132
Due From Other Governments	<u>212,316</u>	<u>174,245</u>
Total Assets	<u>\$ 7,642,814</u>	<u>\$ 7,917,132</u>
Liabilities:		
Accounts Payable	\$ 151,361	\$ 247,804
Accrued Liabilities	21,486	21,869
Due to Other Funds	292,109	10,596
Due to Other Governments	691,605	621,549
Due to Teachers' Retirement System	392,517	431,357
Due to Employees' Retirement System	20,594	23,588
Other Liabilities	<u>1,161</u>	<u>1,737</u>
Total Liabilities	<u>1,570,833</u>	<u>1,358,500</u>
Fund Balances:		
Restricted	4,178,113	4,841,204
Assigned	1,240,843	1,045,660
Unassigned	<u>653,025</u>	<u>671,768</u>
Total Fund Balances	<u>6,071,981</u>	<u>6,558,632</u>
Total Liabilities and Fund Balances	<u>\$ 7,642,814</u>	<u>\$ 7,917,132</u>

Source: Audited Financial Statements of the District (2024-2025).

NOTE: This table is NOT audited.

Statement of Revenues, Expenditures and Fund Balances
General Fund

Fiscal Year Ending June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 12,972,646	\$ 13,100,372	\$ 13,429,182	\$ 13,785,148	\$ 14,197,629
Other Real Property Tax Items	157,997	158,708	141,535	136,032	141,466
Charges for Services	20,825	126,696	263,377	394,429	166,156
Use of Money and Property	3,166	4,579	204,079	326,397	238,022
Sale of Property and Compensation for Loss	66,963				
Miscellaneous	308,718	263,531	146,453	301,470	150,161
State Sources	712,769	542,010	647,335	674,924	660,552
Total Revenues	<u>14,243,084</u>	<u>14,195,896</u>	<u>14,831,961</u>	<u>15,618,400</u>	<u>15,553,986</u>
Expenditures:					
General Support	1,102,757	1,264,755	1,389,110	1,242,425	1,554,146
Instruction	8,804,784	9,494,018	9,655,808	9,831,315	10,019,952
Pupil Transportation	452,693	881,604	775,400	771,005	789,497
Community Services	2,588	2,779	2,927	2,631	2,887
Employee Benefits	1,897,806	1,924,570	1,997,300	2,227,239	2,415,247
Debt Service	241,772	232,590	245,606	241,906	256,933
Total Expenditures	<u>12,502,400</u>	<u>13,800,316</u>	<u>14,066,151</u>	<u>14,316,521</u>	<u>15,038,662</u>
Excess (Deficit) of Revenues Over Expenditures	<u>1,740,684</u>	<u>395,580</u>	<u>765,810</u>	<u>1,301,879</u>	<u>515,324</u>
Other Financing Sources (Uses)					
Interfund Transfers In		460,300		9,183	
Interfund Transfers Out	(31,890)	(1,863,660)	(45,247)	(331,670)	(28,673)
Total Other Financing Sources (Uses)	<u>(31,890)</u>	<u>(1,403,360)</u>	<u>(45,247)</u>	<u>(322,487)</u>	<u>(28,673)</u>
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	<u>1,708,794</u>	<u>(1,007,780)</u>	<u>720,563</u>	<u>979,392</u>	<u>486,651</u>
Fund Balances - Beginning of Year	<u>3,671,012</u>	<u>5,379,806</u>	<u>4,372,026</u>	<u>5,092,589</u>	<u>6,071,981</u>
Adjustments					
Fund Balances - End of Year	<u>\$ 5,379,806</u>	<u>\$ 4,372,026</u>	<u>\$ 5,092,589</u>	<u>\$ 6,071,981</u>	<u>\$ 6,558,632</u>

Source: Audited Financial Statements of the District (2021-2025).

NOTE: This table is NOT audited.

Budget Summaries

	Fiscal Year Ending June 30:	
	<u>2024-2025^a</u>	<u>2025-2026^b</u>
Revenues:		
Real Property Taxes	\$ 14,263,243	\$ 14,731,820
Other Real Property Tax Items	25,300	50,300
PILOTS	54,808	63,988
State Aid	552,309	688,236
Miscellaneous	162,500	162,500
ERS Reserve	35,000	65,000
TRS Reserve	65,000	65,000
Appropriated Fund Balance	<u>1,167,510</u>	<u>967,403</u>
Total Revenues	<u>\$ 16,325,670</u>	<u>\$ 16,794,247</u>
Expenditures:		
General Support	\$ 1,773,676	\$ 2,048,671
Instruction	10,792,818	11,042,491
Pupil Transportation	911,810	855,921
Community Services	3,164	3,240
Employee Benefits	2,564,778	2,568,000
Debt Service	249,100	245,600
Interfund Transfers	<u>30,324</u>	<u>30,324</u>
Total Expenditures	<u>\$ 16,325,670</u>	<u>\$ 16,794,247</u>

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

b. The 2025-2026 budget was approved by the voters of the District on May 20, 2025.

Source: Adopted Budgets of the District.

REMSENBURG-SPEONK UNION FREE SCHOOL DISTRICT

APPENDIX B

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

[▶ Click Here For 2025 Audit](#)

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