

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS  
FOR THE YEAR ENDED  
JUNE 30, 2024**

# WEST ISLIP UNION FREE SCHOOL DISTRICT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
West Islip Union Free School District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the West Islip Union Free School District (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in the District's total other post-employment benefits liability and related ratios on pages 1 through 17 and 63 through 67, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements,

and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 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 the District's internal control over financial reporting and compliance.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, New York  
October 10, 2024

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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The following is a discussion and analysis of the West Islip Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2024. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

- The District's total net deficit, as reflected in the District-Wide Financial Statements, increased by \$4,846,778, or 17.90%. This was due to an excess of expenses over revenues based on the accrual basis of accounting.
- On the District-Wide Financial Statements, revenues increased by \$4,066,257, or 2.94%, primarily as a result of increases in charges for services, capital grants, real property taxes and other tax items, use of money and property, miscellaneous, and state sources, partially offset by a decrease in operating grants and contributions.
- On the District-Wide Financial Statements, expenses increased by \$6,246,241, or 4.43%, primarily as a result of increases in general support and instruction, which include the effects of the allocation of actuarially determined expenses related to pensions and other post-employment benefits, as well as an increase in pupil transportation, partially offset by a decrease in debt service - interest.
- The District's fund balance in the general fund, as reflected in the Fund Financial Statements increased \$42,952 to \$28,519,881 as of June 30, 2024, based on the modified accrual basis of accounting.
- On May 21, 2024, the District's residents authorized the proposed 2024-2025 budget in the amount of \$138,761,990. This is an increase of \$4,541,760, or 3.38%, as compared to the previous year's adopted budget.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

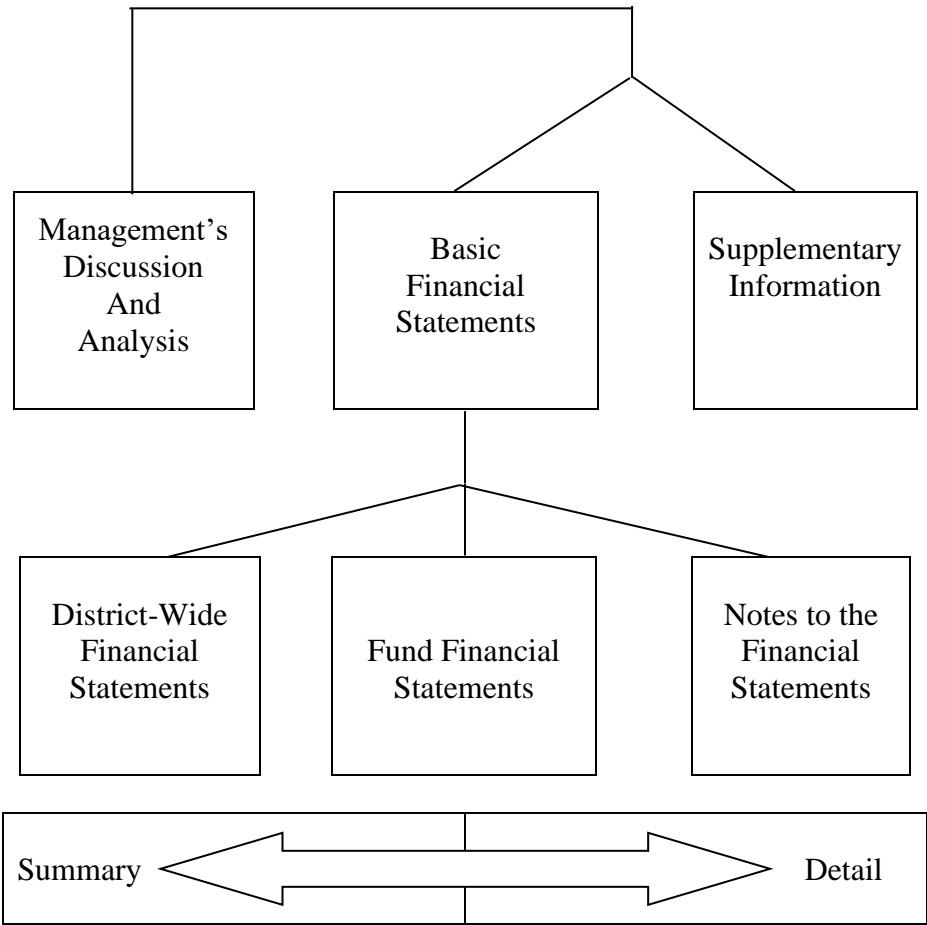
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- The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
- *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a custodian for the benefit of others, such as real property taxes collected on behalf of other governments and disbursed to those governments.

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

Organization of the District’s Annual Financial Report



The Table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities that they cover and the types of information that they contain. The remainder of

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**A. District-Wide Financial Statements**

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

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

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- *Unrestricted net position* is net position that does not meet any of the above restrictions.

**B. Fund Financial Statements**

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

The District has two kinds of funds:

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

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

The District's total net deficit increased by \$4,846,778 during the fiscal year ended June 30, 2024, as detailed in the Table below.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Condensed Statement of Net Position-Governmental Activities

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Current assets	\$ 50,345,527	\$ 54,838,424	\$ (4,492,897)	(8.19%)
Non-current assets	134,745,122	129,881,852	4,863,270	3.74%
Total Assets	185,090,649	184,720,276	370,373	0.20%
Deferred outflows of resources	60,595,302	76,508,190	(15,912,888)	(20.80%)
Total Assets and Deferred Outflows of Resources	245,685,951	261,228,466	(15,542,515)	(5.95%)
Other liabilities	11,950,273	12,362,951	(412,678)	(3.34%)
Long-term liabilities	225,916,903	227,185,378	(1,268,475)	(0.56%)
Total Liabilities	237,867,176	239,548,329	(1,681,153)	(0.70%)
Deferred inflows of resources	39,746,969	48,761,553	(9,014,584)	(18.49%)
Total Liabilities and Deferred Inflows of Resources	277,614,145	288,309,882	(10,695,737)	(3.71%)
Net Position (Deficit)				
Net investment in capital assets	81,996,972	73,027,516	8,969,456	12.28%
Restricted	29,862,635	31,802,218	(1,939,583)	(6.10%)
Unrestricted (Deficit)	(143,787,801)	(131,911,150)	(11,876,651)	(9.00%)
Total Net Position (Deficit)	\$ (31,928,194)	\$ (27,081,416)	\$ (4,846,778)	(17.90%)

Current assets decreased by \$4,492,897, or 8.19% primarily due to decreases in cash and cash equivalents and state and federal aid receivable, partially offset by an increase in due from other governments.

Non-current assets increased by \$4,863,270, or 3.74% due to current year capital asset additions, partially offset by current year depreciation expense, amortization expense, and loss on disposals as well as a decrease in lease receivable.

The change in deferred outflows of resources represents amortization of pension related items, as well as the change in the District's contributions to the plans subsequent to the measurement date, as discussed in Note 13, and the amortization of total other post-employment benefits obligation related items as discussed in Note 15.

Other liabilities decreased by \$412,678, or 3.34%, primarily due to decreases in due to other governments, compensated absences payable, and due to teachers' retirement system, partially offset by increases in accounts payable, accrued liabilities, and due to employees' retirement system.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Long-term liabilities decreased by \$1,268,475, or 0.56%, primarily due to decreases in bonds payable, energy performance contract debt payable, and net pension liabilities, partially offset by an increase in total other post-employment benefits obligation.

The changes in deferred inflows of resources represent amortization of pension related items as discussed in Note 13 and amortization of total other post-employment benefits obligation related items as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost and intangible lease assets at the present value of remaining lease payments such as land, construction in progress, building and building improvements, furniture and equipment, and land improvements, net of accumulated depreciation and amortization, related debt (net of any unspent debt proceeds), and any unamortized items (discounts, premiums, deferred amounts on refunding). The net investment in capital assets figure of \$81,996,972 represents an increase of \$8,969,456, or 12.28%, from the prior fiscal year.

The restricted net position at June 30, 2024 of \$29,862,635 relates to the District's reserves and restricted amounts for scholarships and donations and debt service. Restricted net position decreased by \$1,939,583 from 2023 to 2024.

The unrestricted net deficit at June 30, 2024 of \$143,787,801 relates to the balance of the District's net position. The unrestricted net deficit increased by \$11,876,651, or 9.00%, from the prior fiscal year.

**B. Changes in Net Position**

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2024 and 2023 is as follows:

Change in Net Position from Operating Results - Governmental Activities Only

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	2024	2023	Increase (Decrease)	Total Percentage Change
Revenues:				
Program revenues				
Charges for services	\$ 3,178,372	\$ 3,115,292	\$ 63,080	2.02%
Operating grants and contributions	4,955,209	6,050,684	(1,095,475)	(18.10%)
Capital grants	1,655,000	-	1,655,000	N/A
General revenues				
Real property taxes and other tax items	92,200,529	90,513,833	1,686,696	1.86%
Use of money and property	2,659,802	2,370,200	289,602	12.22%
Miscellaneous	1,810,315	777,637	1,032,678	132.80%
State sources	35,783,796	35,349,120	434,676	1.23%
Total Revenues	<u>142,243,023</u>	<u>138,176,766</u>	<u>4,066,257</u>	2.94%
Expenses:				
General support	25,960,353	25,785,583	174,770	0.68%
Instruction	110,872,683	104,924,013	5,948,670	5.67%
Pupil transportation	6,669,068	6,305,699	363,369	5.76%
Community services	36,139	30,298	5,841	19.28%
Debt service - interest	1,686,893	1,924,665	(237,772)	(12.35%)
Food service program	1,864,665	1,873,302	(8,637)	(0.46%)
Total Expenses	<u>147,089,801</u>	<u>140,843,560</u>	<u>6,246,241</u>	4.43%
Increase (Decrease) in net position	<u>\$ (4,846,778)</u>	<u>\$ (2,666,794)</u>	<u>\$ (2,179,984)</u>	81.75%

The District's fiscal year 2024 revenues totaled \$142,243,023. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 64.82% and 25.16%, respectively, of total revenue. The remainder came from charges for services, operating grants and contributions, capital grants, use of money and property, and other miscellaneous sources.

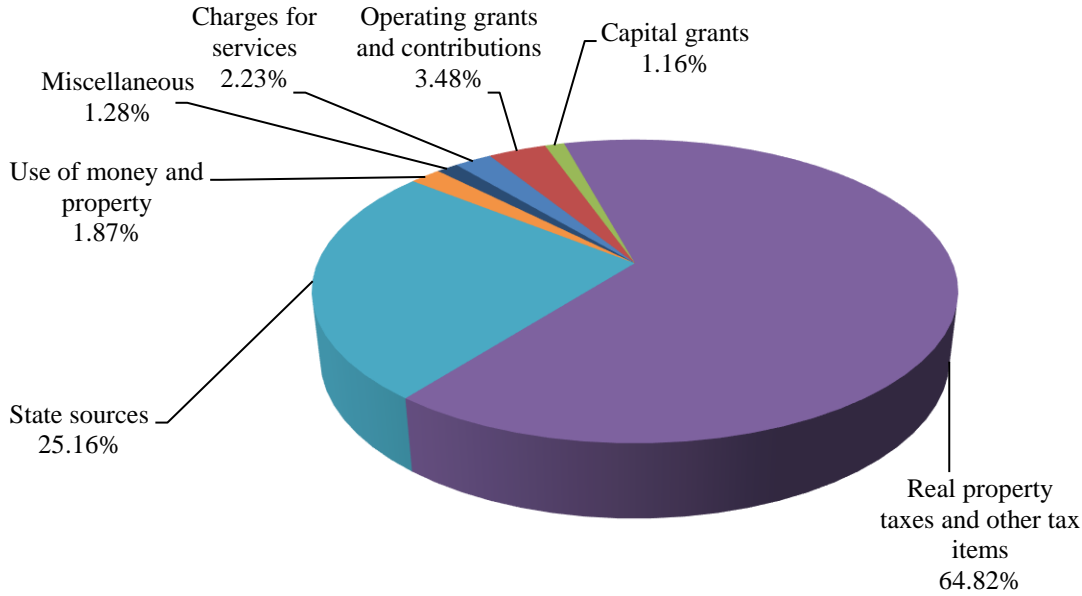
The total cost of all programs and services totaled \$147,089,801 for fiscal year 2024. These expenses are predominantly related to general support and instruction, which account for 17.65% and 75.38% of District expenses, respectively. The District's total expenses increased by \$6,246,241, or 4.43%, which was partially the result of the allocation of actuarially determined expenses related to pensions and other post-employments benefits.

The users of the District's programs financed \$3,178,372 of the cost as shown in charges for services. The federal and state governments along with outside donors subsidized certain programs with grants and contributions of \$4,955,209, which represents an 18.10% decrease from the prior year, and capital grant of \$1,655,000. Most of the District's net costs of \$137,301,220 were financed by District taxpayers and state sources.

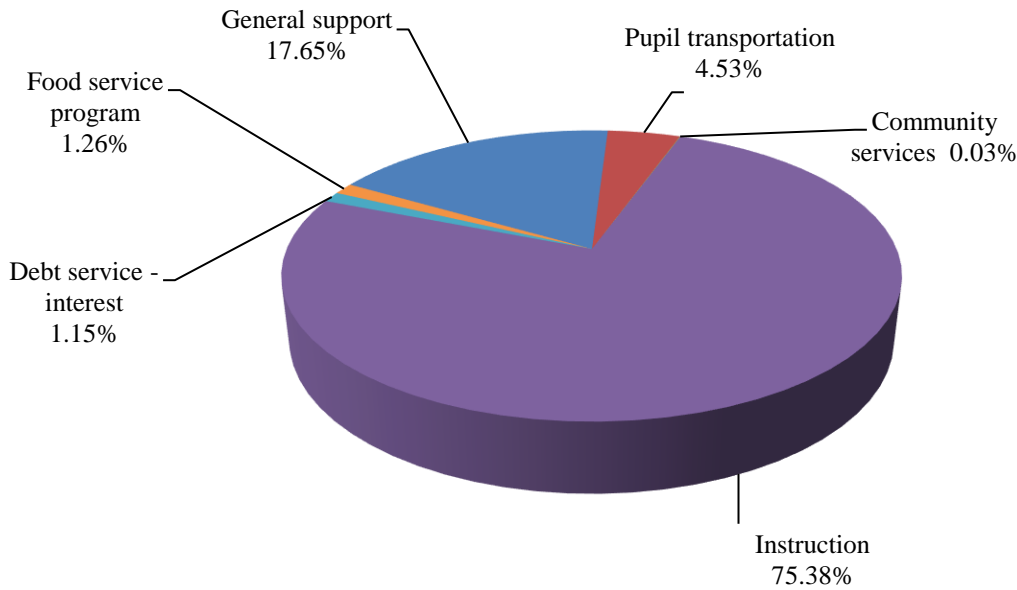
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Revenues for Fiscal Year 2024:



Expenses for Fiscal Year 2024:



**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$38,494,450. This is a decrease of \$4,176,509 from the prior year.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A summary of the change in fund balance for all funds is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Total Percentage Change
<b>General Fund</b>				
Nonspendable	\$ 19,835	\$ 99,275	\$ (79,440)	(80.02%)
Restricted for workers' compensation	800,495	610,566	189,929	31.11%
Restricted for unemployment insurance	32,734	31,205	1,529	4.90%
Restricted for retirement contribution - ERS	7,194,976	7,240,078	(45,102)	(0.62%)
Restricted for retirement contribution - TRS	2,877,282	2,552,178	325,104	12.74%
Restricted for employee benefit accrued liability	9,129,392	9,036,440	92,952	1.03%
Restricted for capital	1,291,380	1,064,813	226,567	21.28%
Assigned - general support	430,818	1,354,729	(923,911)	(68.20%)
Assigned - instruction	342,489	213,430	129,059	60.47%
Assigned - transportation		55,406	(55,406)	(100.00%)
Assigned - appropriated for subsequent year's expenditures	850,000	850,000	-	0.00%
Unassigned	5,550,480	5,368,809	181,671	3.38%
Total fund balance - general fund	<u>28,519,881</u>	<u>28,476,929</u>	<u>42,952</u>	0.15%
<b>School Lunch Fund</b>				
Nonspendable	75,985	88,099	(12,114)	(13.75%)
Assigned - unappropriated	1,345,731	1,171,753	173,978	14.85%
Total fund balance - school lunch fund	<u>1,421,716</u>	<u>1,259,852</u>	<u>161,864</u>	12.85%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted for scholarships and donations	13,619	7,691	5,928	77.08%
Assigned - unappropriated	122,262	131,332	(9,070)	(6.91%)
Total fund balance - miscellaneous special revenue fund	<u>135,881</u>	<u>139,023</u>	<u>(3,142)</u>	(2.26%)
<b>Debt Service Fund</b>				
Restricted for debt service	3,394,957	3,329,839	65,118	1.96%
Total fund balance - debt service fund	<u>3,394,957</u>	<u>3,329,839</u>	<u>65,118</u>	1.96%
<b>Capital Projects Fund</b>				
Restricted for capital	5,127,800	7,929,408	(2,801,608)	(35.33%)
Restricted for unspent debt proceeds	29,638	780,888	(751,250)	(96.20%)
Assigned - unappropriated		755,020	(755,020)	(100.00%)
Unassigned	(135,423)	-	(135,423)	N/A
Total fund balance - capital projects fund	<u>5,022,015</u>	<u>9,465,316</u>	<u>(4,443,301)</u>	(46.94%)
<b>Total Fund Balance - All funds</b>	<u>\$ 38,494,450</u>	<u>\$ 42,670,959</u>	<u>\$ (4,176,509)</u>	(9.79%)

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**A) General Fund**

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Total Percentage Change
<b>Revenues</b>				
Real property taxes	\$ 86,571,008	\$ 84,167,501	\$ 2,403,507	2.86%
Other tax items - including STAR	5,629,521	6,346,332	(716,811)	(11.29%)
Charges for services	1,651,328	1,654,705	(3,377)	(0.20%)
Use of money and property	2,524,928	2,303,461	221,467	9.61%
Sale of property and compensation for loss	25,748	26,553	(805)	(3.03%)
Miscellaneous	1,645,076	576,108	1,068,968	185.55%
State sources	35,783,796	35,349,120	434,676	1.23%
Federal sources		5,190	(5,190)	(100.00%)
Total Revenues	<u>133,831,405</u>	<u>130,428,970</u>	<u>3,402,435</u>	2.61%
<b>Other Financing Sources</b>				
Premium on obligations	139,400	173,800	(34,400)	(19.79%)
Operating transfers in	96,021		96,021	N/A
Total Other Financing Sources	<u>235,421</u>	<u>173,800</u>	<u>61,621</u>	35.46%
<b>Expenditures</b>				
General support	16,213,886	15,819,926	393,960	2.49%
Instruction	71,293,731	70,078,025	1,215,706	1.73%
Pupil transportation	6,014,573	5,731,710	282,863	4.94%
Community Service	23,810	20,355	3,455	16.97%
Employee benefits	31,986,655	30,446,410	1,540,245	5.06%
Debt service - principal	5,110,652	4,815,745	294,907	6.12%
Debt service - interest	2,256,313	2,511,048	(254,735)	(10.14%)
Total Expenditures	<u>132,899,620</u>	<u>129,423,219</u>	<u>3,476,401</u>	2.69%
<b>Other Financing Uses</b>				
Operating transfers out	1,124,254	8,600,223	(7,475,969)	(86.93%)
Total Other Financing Uses	<u>1,124,254</u>	<u>8,600,223</u>	<u>(7,475,969)</u>	(86.93%)
<b>Net Change in Fund Balances</b>	<u>\$ 42,952</u>	<u>\$ (7,420,672)</u>	<u>\$ 7,463,624</u>	(100.58%)

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Fund balance in the general fund increased by \$42,952 to \$28,519,881. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.

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

- Real property taxes increased due to an increase in the tax levy in accordance with the voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- State sources increased due to increases in general aid and BOCES aid.

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

- Instruction increased primarily due to salary increases and increases in special education and pupil service expenditures.
- Employee benefits expenditures primarily increased due to increases in health insurance costs.
- Overall increase in expenditures was partially offset by a decrease in other financing uses as a result of a decrease in voter approved appropriation of the capital reserves and budgetary transfers to the capital projects fund.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Workers' compensation	\$ 610,566	\$ 360,000	\$ 29,929	\$ (200,000)	\$ 800,495
Unemployment insurance	31,205		1,529		32,734
Retirement contribution					
Employees' retirement system	7,240,078		354,898	(400,000)	7,194,976
Teachers' retirement system	2,552,178	600,000	125,104	(400,000)	2,877,282
Employee benefit accrued liability	9,036,440		442,952	(350,000)	9,129,392
Capital	420,985	96,021	20,635	(400,000)	137,641
Capital II	643,828	938,351	31,560	(460,000)	1,153,739
Total Restricted Fund Balance	<u>\$ 20,535,280</u>	<u>\$ 1,994,372</u>	<u>\$ 1,006,607</u>	<u>\$ (2,210,000)</u>	<u>\$ 21,326,259</u>

**B) School Lunch Fund**

Fund balance in the school lunch fund increased by \$161,864, or 12.80%, which represents the food service program's net operating profit for the year. This increase was primarily due to increases in sales and use of money and property, partially offset by a decrease in federal meal reimbursement.

**C) Miscellaneous Special Revenue Fund**

Fund balance in the miscellaneous special revenue fund decreased by \$3,142, or 2.26%, due to extraclassroom activity expenditures exceeding revenues, partially offset by scholarship donations received in excess of scholarships awarded.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**D) Debt Service Fund**

Fund balance in the debt service fund increased by \$65,118, or 2.00%, due to interest earned during the fiscal year.

**E) Capital Projects Fund**

Fund balance in the capital projects fund decreased by \$4,443,301, or 46.94%, primarily due to capital outlay of \$6,904,197 exceeding the interfund transfer from the general fund for the voter approved use of the capital reserve in the amount of \$860,000.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2023-2024 Budget**

The District's general fund adopted budget for the year ended June 30, 2024 was \$134,220,230. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,623,565 and budget revisions of \$860,000 and \$1,182 relating to appropriations from the capital reserve and donations received, respectively, which resulted in a final budget of \$136,704,977. The majority of the funding came from real property taxes and other tax items, including STAR revenue, of \$92,199,404.

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

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

Opening, unassigned fund balance	\$ 5,368,809
Revenues and other financing sources over budget	2,045,414
Expenditures, other financing uses, and encumbrances under budget	1,907,796
Decrease in nonspendable fund balance	79,440
Transfers to reserves	(1,994,372)
Interest allocated to reserves	(1,006,607)
Assigned - appropriated for June 30, 2025 budget	(850,000)
Closing, unassigned fund balance	<u>\$ 5,550,480</u>

The \$5,368,809 represents the portion of the District's June 30, 2023 fund balance that was retained as unassigned fund balance.

The revenues and other financing sources over budget of \$2,045,414 were primarily due to use of money and property and miscellaneous. (Refer to Supplemental Schedule #1 for more detail).

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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The expenditures, other financing uses, and encumbrances under budget of \$1,907,796 were primarily in the areas of general support, instruction, pupil transportation, and employee benefits. (Refer to Supplemental Schedule #1 for more detail).

Nonspendable fund balance decreased by \$79,440 relating to the long-term lease receivable (excess of lease receivable over deferred inflows of resources – leases).

Transfers were made to the reserves in the amount of \$1,994,372 as detailed above.

Interest in the amount of \$1,006,607 was allocated to the reserves as detailed above.

The assigned, appropriated fund balance of \$850,000 is the amount the District has chosen to use to partially fund its operating budget for the 2024-2025 fiscal year.

The closing, unassigned fund balance of \$5,550,480 represents the fund balance retained by the District that is not restricted or assigned for the subsequent year's budget. This amount is limited to 4% of the 2024-2025 budget. At June 30, 2024, the District's unassigned fund balance is at the statutory limit.

**6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION**

**A. Capital Assets and Intangible Lease Assets**

At June 30, 2024, the District had invested in a broad range of capital assets and intangible lease assets, including land, building and building improvements, furniture and equipment, and land improvements. The net increase in capital assets is due to capital additions exceeding depreciation expense recorded for the fiscal year ended June 30, 2024. The net decrease in intangible lease assets is due to amortization expense exceeding current year additions. A summary of the District's capital assets, net of accumulated depreciation, and intangible lease assets, net of accumulated amortization, at June 30, 2024 and 2023, is as follows:

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Category	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)
Land	\$ 1,937,000	\$ 1,937,000	\$ -
Construction in Progress	17,873,933	11,915,032	5,958,901
Building and building improvements	184,460,052	182,069,978	2,390,074
Furniture and equipment	12,089,878	12,496,484	(406,606)
Land improvements	6,959,324	6,959,324	-
Subtotal	223,320,187	215,377,818	7,942,369
Less: accumulated depreciation	(90,359,621)	(87,838,785)	(2,520,836)
Total net capital assets	<u>\$ 132,960,566</u>	<u>\$ 127,539,033</u>	<u>\$ 5,421,533</u>
Net intangible lease assets	<u>\$ 98,847</u>	<u>\$ 131,816</u>	<u>\$ (32,969)</u>

Depreciation expense was \$4,135,211 and amortization expense was \$74,886 for the fiscal year ended June 30, 2024. See Note 9 to the financial statements for additional detail.

**B. Long-Term Debt**

At June 30, 2024, the District had total long-term debt, including bonds payable, lease liability, and energy performance contract debt payable, of \$49,802,916. The decrease in long-term debt represents principal payments on bonds payable, lease liability, and energy performance contract debt payable, partially offset by lease liability additions.

A summary of outstanding long-term debt at June 30, 2024 and 2023 is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)
Bonds payable (inclusive of unamortized premiums)	\$ 40,455,414	\$ 44,829,842	\$ (4,374,428)
Lease liability	69,165	111,965	(42,800)
Energy performance contract debt payable	9,278,337	10,499,272	(1,220,935)
Total	<u>\$ 49,802,916</u>	<u>\$ 55,441,079</u>	<u>\$ (5,638,163)</u>

**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- The general fund budget for the 2024-2025 school year was approved by the voters in the amount of \$138,761,990. This is an increase of \$4,541,760, or 3.38%, as compared to the previous year's adopted budget.
- Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
  - Increased costs associated with meeting the requirements for instructional services.
  - Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
  - Rising inflation as well as interest rates, which can affect all areas of the budget.
  - The property tax cap as discussed below.
- New York State law limits the increase in the property tax levy of school districts to the lesser of two percent or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

**8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

West Islip Union Free School District  
Ms. Elisa Pellati  
Assistant Superintendent for Business & Operations  
100 Sherman Avenue  
West Islip, New York 11795  
(631) 930-1530

**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	
Unrestricted	\$ 18,649,547
Restricted	29,148,156
Receivables	
Accounts receivable	53,476
State and federal aid	1,749,651
Due from other governments	668,712
Inventory	75,985
Non-current assets	
Receivable within one year	
Lease receivable	489,836
Receivable after one year	
Lease receivable	1,195,873
Capital assets	
Not being depreciated	19,810,933
Being depreciated, net of accumulated depreciation	113,149,633
Intangible lease assets, net of accumulated amortization	98,847
<b>TOTAL ASSETS</b>	<b>185,090,649</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	28,448,675
Other post-employment benefits	32,146,627
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>60,595,302</b>
<b>LIABILITIES</b>	
Payables	
Accounts payable	3,440,798
Accrued liabilities	1,124,087
Accrued interest payable	79,361
Due to other governments	291,111
Compensated absences payable	259,659
Due to teachers' retirement system	5,888,003
Due to employees' retirement system	591,641
Unearned credits	
Collections in advance	275,613
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premiums)	2,966,339
Lease liability	43,058
Energy performance contract debt payable	1,251,809
Compensated absences payable	586,889
Total other post-employment benefits obligation	4,253,680
Due and payable after one year	
Bonds payable (inclusive of unamortized premiums)	37,489,075
Lease liability	26,107
Energy performance contract debt payable	8,026,528
Compensated absences payable	7,928,915
Workers' compensation claims payable	739,865
Net pension liability - proportionate share - employees' retirement system	5,258,285
Net pension liability - proportionate share - teachers' retirement system	3,369,574
Total other post-employment benefits obligation	153,976,779
<b>TOTAL LIABILITIES</b>	<b>237,867,176</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Leases	1,665,874
Pensions	4,492,606
Other post-employment benefits	33,588,489
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>39,746,969</b>
<b>NET POSITION</b>	
Net investment in capital assets	81,996,972
Restricted	
Workers' compensation	800,495
Unemployment insurance	32,734
Retirement contribution - employees' retirement system	7,194,976
Retirement contribution - teachers' retirement system	2,877,282
Employee benefit accrued liability	9,129,392
Capital	898,659
Capital II	5,520,521
Scholarships and donations	13,619
Debt service	3,394,957
	29,862,635
Unrestricted (deficit)	(143,787,801)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (31,928,194)</b>

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

		Program Revenues		Capital Grants	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
<b>FUNCTIONS / PROGRAMS</b>					
General support	\$ (25,960,353)	\$ -	\$ -	\$ -	\$ (25,960,353)
Instruction	(110,872,683)	1,943,780	4,096,048	1,655,000	(103,177,855)
Pupil transportation	(6,669,068)		171,106		(6,497,962)
Community services	(36,139)				(36,139)
Debt service - interest	(1,686,893)				(1,686,893)
Food service program	(1,864,665)	1,234,592	688,055		57,982
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<u>\$ (147,089,801)</u>	<u>\$ 3,178,372</u>	<u>\$ 4,955,209</u>	<u>\$ 1,655,000</u>	<u>(137,301,220)</u>
<b>GENERAL REVENUES</b>					
Real property taxes					86,571,008
Other tax items - including STAR reimbursement					5,629,521
Use of money and property					2,659,802
Miscellaneous					1,810,315
State sources					35,783,796
<b>TOTAL GENERAL REVENUES</b>					<u>132,454,442</u>
<b>CHANGE IN NET POSITION</b>					(4,846,778)
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>					<u>(27,081,416)</u>
<b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>					<u>\$ (31,928,194)</u>

**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents							
Unrestricted	\$ 12,570,921	\$ 2,026,908	\$ 2,929,909	\$ 122,262	\$ -	\$ 999,547	\$ 18,649,547
Restricted	21,326,259			13,619	2,650,840	5,157,438	29,148,156
Receivables							
Accounts receivable	48,750		4,726				53,476
State and federal aid	768,228	952,687	28,736				1,749,651
Due from other funds	11,195,046	2,729,301	452,628		1,008,422	1,807,455	17,192,852
Due from other governments	667,963		749				668,712
Lease receivable	1,685,709						1,685,709
Inventory			75,985				75,985
<b>TOTAL ASSETS</b>	<u>\$ 48,262,876</u>	<u>\$ 5,708,896</u>	<u>\$ 3,492,733</u>	<u>\$ 135,881</u>	<u>\$ 3,659,262</u>	<u>\$ 7,964,440</u>	<u>\$ 69,224,088</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Payables							
Accounts payable	\$ 2,096,826	\$ 11,337	\$ 43,472	\$ -	\$ -	\$ 1,289,163	\$ 3,440,798
Accrued liabilities	1,124,087						1,124,087
Due to other governments	290,817		294				291,111
Due to other funds	7,826,088	5,692,074	1,847,123		264,305	1,563,262	17,192,852
Compensated absences payable	259,659						259,659
Due to teachers' retirement system	5,888,003						5,888,003
Due to employees' retirement system	591,641						591,641
Unearned credits							
Collections in advance		5,485	180,128			90,000	275,613
<b>TOTAL LIABILITIES</b>	<u>18,077,121</u>	<u>5,708,896</u>	<u>2,071,017</u>	<u>-</u>	<u>264,305</u>	<u>2,942,425</u>	<u>29,063,764</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Leases	1,665,874						1,665,874
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,665,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665,874</u>
<b>FUND BALANCES</b>							
Nonspendable	19,835		75,985				95,820
Restricted							
Workers' compensation	800,495						800,495
Unemployment insurance	32,734						32,734
Retirement contribution - employees' retirement system	7,194,976						7,194,976
Retirement contribution - teachers' retirement system	2,877,282						2,877,282
Employee benefit accrued liability	9,129,392						9,129,392
Capital	137,641					761,018	898,659
Capital II	1,153,739					4,366,782	5,520,521
Scholarships and donations				13,619			13,619
Debt service					3,394,957		3,394,957
Unspent debt proceeds						29,638	29,638
Assigned							
Appropriated fund balance	850,000						850,000
Unappropriated fund balance	773,307		1,345,731	122,262			2,241,300
Unassigned (deficit)	5,550,480					(135,423)	5,415,057
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>28,519,881</u>	<u>-</u>	<u>1,421,716</u>	<u>135,881</u>	<u>3,394,957</u>	<u>5,022,015</u>	<u>38,494,450</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 48,262,876</u>	<u>\$ 5,708,896</u>	<u>\$ 3,492,733</u>	<u>\$ 135,881</u>	<u>\$ 3,659,262</u>	<u>\$ 7,964,440</u>	<u>\$ 69,224,088</u>

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total Governmental Fund Balances \$ 38,494,450

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

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

Original cost of capital assets	\$ 223,320,187	
Accumulated depreciation	<u>(90,359,621)</u>	132,960,566

The present value cost of leasing intangible 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 include those leased capital assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.

Original present value cost of intangible lease assets	\$ 311,279	
Accumulated amortization	<u>(212,432)</u>	98,847

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

Deferred outflows related to pensions	\$ 28,448,675	
Deferred outflows related to other post-employment benefits	<u>32,146,627</u>	60,595,302

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

Deferred inflows related to pensions	\$ (4,492,606)	
Deferred inflows related to other post-employment benefits	<u>(33,588,489)</u>	(38,081,095)

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

Accrued interest payable		(79,361)
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable, inclusive of unamortized premiums	\$ (40,455,414)	
Lease liability	(69,165)	
Energy performance contract debt payable	(9,278,337)	
Compensated absences payable	(8,515,804)	
Workers' compensation claims payable	(739,865)	
Net pension liability - proportionate share - ERS	(5,258,285)	
Net pension liability - proportionate share - TRS	(3,369,574)	
Total other post-employment benefits obligation	<u>(158,230,459)</u>	(225,916,903)

Total Net Position		<u>\$ (31,928,194)</u>
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**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>							
Real property taxes	\$ 86,571,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,571,008
Other tax items - including STAR reimbursement	5,629,521						5,629,521
Charges for services	1,651,328			292,452			1,943,780
Use of money and property	2,524,928		69,492	264	65,118		2,659,802
Sale of property and compensation for loss	25,748						25,748
Miscellaneous	1,645,076		91	13,404		1,655,000	3,313,571
State sources	35,783,796	1,191,439	21,331				36,996,566
Federal sources		3,062,311	500,667				3,562,978
Surplus food			166,057				166,057
Sales			1,234,592				1,234,592
<b>TOTAL REVENUES</b>	<b>133,831,405</b>	<b>4,253,750</b>	<b>1,992,230</b>	<b>306,120</b>	<b>65,118</b>	<b>1,655,000</b>	<b>142,103,623</b>
<b>EXPENDITURES</b>							
General support	16,213,886						16,213,886
Instruction	71,293,731	4,344,814		309,262			75,947,807
Pupil transportation	6,014,573	171,106					6,185,679
Community services	23,810						23,810
Employee benefits	31,986,655						31,986,655
Debt service - principal	5,110,652						5,110,652
Debt service - interest	2,256,313						2,256,313
Cost of sales			1,832,450				1,832,450
Capital outlay						6,904,197	6,904,197
<b>TOTAL EXPENDITURES</b>	<b>132,899,620</b>	<b>4,515,920</b>	<b>1,832,450</b>	<b>309,262</b>	<b>-</b>	<b>6,904,197</b>	<b>146,461,449</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>931,785</b>	<b>(262,170)</b>	<b>159,780</b>	<b>(3,142)</b>	<b>65,118</b>	<b>(5,249,197)</b>	<b>(4,357,826)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>							
Premiums on obligations	139,400						139,400
Operating transfers in	96,021	262,170	2,084			860,000	1,220,275
Operating transfers (out)	(1,124,254)					(96,021)	(1,220,275)
Leases						41,917	41,917
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<b>(888,833)</b>	<b>262,170</b>	<b>2,084</b>	<b>-</b>	<b>-</b>	<b>805,896</b>	<b>181,317</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>42,952</b>		<b>161,864</b>	<b>(3,142)</b>	<b>65,118</b>	<b>(4,443,301)</b>	<b>(4,176,509)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>28,476,929</b>	<b>-</b>	<b>1,259,852</b>	<b>139,023</b>	<b>3,329,839</b>	<b>9,465,316</b>	<b>42,670,959</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 28,519,881</b>	<b>\$ -</b>	<b>\$ 1,421,716</b>	<b>\$ 135,881</b>	<b>\$ 3,394,957</b>	<b>\$ 5,022,015</b>	<b>\$ 38,494,450</b>

**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances \$ (4,176,509)

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

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Changes in the long term liabilities are as follows:

Compensated absences payable	\$ (18,406)	
Workers' compensation claims payable	<u>(203,234)</u>	(221,640)

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

Employees' retirement system	\$ (844,576)	
Teachers' retirement system	(4,381,179)	
Other post-employment benefits	<u>(6,249,593)</u>	(11,475,348)

Capital Related Differences

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

Capital outlay	\$ 9,675,300	
Depreciation expense	(4,135,211)	
Loss on disposals	<u>(118,556)</u>	5,421,533

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

Intangible lease capital outlay	\$ 41,917	
Amortization expense	<u>(74,886)</u>	(32,969)

Long-Term Debt Transaction Differences

Proceeds from leases are recorded as revenue in the governmental funds but not in the Statement of Activities. (41,917)

Repayment of bond principal and energy performance contract 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. 5,025,935

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium and deferred amounts is: 552,570

Repayment of lease obligations 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. 84,717

Interest on short and long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest changed by: 16,850

Change in Net Position \$ (4,846,778)

**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2024**

	<u><b>Custodial</b></u>
<b>ASSETS</b>	
Due from governmental funds	\$ -
<b>TOTAL ASSETS</b>	<u>-</u>
<b>LIABILITIES</b>	
Due to other governments - public library	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Restricted	-
<b>TOTAL NET POSITION</b>	<u>\$ -</u>

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u><b>Custodial</b></u>
<b>ADDITIONS</b>	
Public library real property taxes collected	\$ 4,254,540
<b>TOTAL ADDITIONS</b>	<u>4,254,540</u>
<b>DEDUCTIONS</b>	
Public library real property taxes disbursed	4,254,540
<b>TOTAL DEDUCTIONS</b>	<u>4,254,540</u>
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:**

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

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

**A) Reporting Entity:**

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

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus –An Amendment of GASB Statements No. 14 and No.34*. 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 Eastern Suffolk Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**C) Basis of Presentation:**

District-Wide Financial Statements:

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

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**School Lunch Fund:** This fund is used to account for the activities of the District's food service operations.

**Miscellaneous Special Revenue Fund:** This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are extraclassroom activities.

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

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

The District reports the following fiduciary fund:

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

**D) Measurement Focus and Basis of Accounting:**

The District-Wide Financial Statements and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include 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.

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 and lease liability, as well as compensated absences, workers' compensation, net pension liabilities, total other post-employment benefits, and claims and judgments, if applicable, which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

**E) Real Property Taxes:**

Calendar

Real property taxes are levied annually by the Board no later than October 1, and become a lien on December 1. Taxes are collected by the Town of Islip beginning November 1.

Enforcement

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

**F) Restricted Resources:**

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

**G) Interfund Transactions:**

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

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be 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.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**H) Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of useful lives of capital assets and intangible lease assets, lease receivable and deferred inflows of resources related to leases, lease liability, compensated absences payable, workers' compensation claims payable, net pension asset/liability, total other post-employment benefits obligation, and potential contingent liabilities, if applicable.

**I) Cash and Cash Equivalents:**

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

**J) Receivables:**

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

**K) Inventory:**

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services 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 in the school lunch fund has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**L) Capital Assets:**

Capital assets are reported at actual cost for acquisitions subsequent to 20 years. For assets acquired prior to 20 years, estimated historical costs, based on appraisals conducted by independent third-party professionals are used. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and building improvements	\$15,000	Straight-line	50 years
Furniture and equipment	\$5,000	Straight-line	5-20 years
Land improvements	\$15,000	Straight-line	20 years

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

**M) Intangible Lease Assets:**

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

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

**N) Deferred Outflows and Inflows of Resources:**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reported deferred outflows of resources related to pensions and the other post-employment benefits reported in the District-Wide Statement of Net Position, as detailed further in Notes 13 and 15, respectively.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reported deferred inflows of resources related to leases, which are reported in the District-Wide Statement of Net Position as well as in the general fund in the Fund Financial Statements, and is detailed further in Note 8. The District also reported deferred inflows of resources related to pensions and the other post-employment benefits reported in the District-Wide Statement of Net Position, as detailed further in Notes 13 and 15, respectively.

**O) Short-Term Debt**

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

See Note 11 for further details.

**P) Collections in Advance:**

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

Collections in advance consisted of amounts received in advance for grant advances received prior to incurring qualifying expenditures of \$5,485 in the special aid fund, grant advances received prior to incurring qualifying expenditures of \$126,923 and amounts received in advance for meals that have not yet been purchased of \$53,205 in the school lunch fund, and grant advances that have been received prior to incurring qualifying expenditures of \$90,000 in the capital projects fund.

**Q) Employee Benefits – Compensated Absences:**

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30.

**R) Other Benefits:**

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**S) Long-Term Debt:**

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

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

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

**T) Equity Classifications:**

District-Wide Financial Statements:

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

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

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

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

Fund Financial Statements:

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

- 1) **Non-spendable fund balance** - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the long-term lease receivable (excess of lease receivable over deferred inflows of resources – leases)

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

in the amount of \$19,835 in the general fund and inventory recorded in the school lunch fund of \$75,985.

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

The District has established the following as restricted:

**Workers' Compensation Reserve**

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other 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. This reserve is accounted for in the general fund.

**Unemployment Insurance Reserve**

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

**Retirement Contribution Reserve**

Retirement Contribution Reserve (GML §6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

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Employee Benefit Accrued Liability Reserve

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

Capital Reserve

Capital reserve (GML §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. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund and capital projects fund.

Restricted for Scholarships and Donations

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

Restricted for Debt Service

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

Restricted for Unspent Debt Proceeds

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

Unrestricted Resources:

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

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- 3) **Committed fund balance** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2024.
- 4) **Assigned fund balance** - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies.

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

- 5) **Unassigned fund balance** - Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance. Unassigned fund balance includes \$5,550,480 in the general fund.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance as of June 30, 2024 is within the legal limit.

The capital projects fund has a deficit unassigned balance of \$135,423. The deficit is the result of the District not yet obtaining permanent financing on capital improvement projects. The deficit unassigned balance should be eliminated once permanent financing is obtained by the District.

#### **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 be approved by formal action of the Board.

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

#### **Order of Use of Fund Balance:**

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other

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than the general fund are classified as assigned or unassigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

**U) Future Accounting Pronouncements:**

GASB Statement No. 101, *Compensated Absences*, was issued to better meet the information need 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. The requirements of this Statement are effective for periods beginning after December 15, 2023.

This is the Statement that the District feels may have an impact on these financial statements and is not an all-inclusive list of GASB statements issued. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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

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

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

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

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

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of Activities fall into one of three broad categories. The amounts shown below represent:

**Long-term revenue and expense differences:**

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

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Capital related differences:

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

Long-term debt differences:

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

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

**A) Budgets:**

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

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

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

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
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**B) Encumbrances:**

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

**NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:**

**A) Cash and Cash Equivalents:**

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, 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 with securities held by the pledging financial institution in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

**Restricted cash and cash equivalents**

Restricted cash and cash equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2024 included \$29,148,156 within the governmental funds for general reserves, and amounts restricted for scholarships and donations, debt service, and capital.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**B) Investments:**

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

**C) Investment Pool:**

The District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and considered to be cash equivalents. At June 30, 2024, the District held \$22,880,221 in the general fund in investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2024, are \$11,722,084,338, which consisted of \$1,924,275,851 in repurchase agreements, and \$8,032,431,761 in U.S. Treasury Securities in U.S. Government Guaranteed Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2024 are \$1,765,376,726.

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund	\$ 22,880,221	\$ 22,880,221
	<u>\$ 22,880,221</u>	<u>\$ 22,880,221</u>

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateralization requirements. NYCLASS is rated AAAm by Standard and Poor's Ratings Agency. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website, [www.newyorkclass.org](http://www.newyorkclass.org), or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver CO, 80202.

**NOTE 5 – PARTICIPATION IN BOCES:**

During the year ended June 30, 2024, the District was billed \$6,732,106 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,172,133. Financial statements for the BOCES are available from the BOCES administrative office at Eastern Suffolk Board of Cooperative Educational Services James Hines Administration Center 201 Sunrise Highway Patchogue, NY 11772.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 – STATE AND FEDERAL AID RECEIVABLE:**

State and federal aid receivable at June 30, 2024 consisted of:

General fund	
Excess cost aid	\$ 768,228
Total	<u>768,228</u>
Special aid fund	
Federal aid	460,930
State aid	<u>491,757</u>
Total	<u>952,687</u>
School lunch fund	
Federal meal reimbursements	27,293
State meal reimbursements	<u>1,443</u>
Total	<u>28,736</u>
Total State and Federal Aid Receivable	<u><u>\$ 1,749,651</u></u>

District management has deemed these amounts to be fully collectible.

**NOTE 7 – DUE FROM OTHER GOVERNMENTS:**

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

General fund	
Tuition and health services	\$ 125,224
BOCES aid	<u>542,739</u>
Total	<u>667,963</u>
School lunch fund	
Sales tax overpayment	<u>749</u>
Total	<u>749</u>
Total Due From Other Governments	<u><u>\$ 668,712</u></u>

District management has deemed these amounts to be fully collectible.

**NOTE 8 – LEASE RECEIVABLE:**

The District recognizes a lease receivable and deferred inflow of resources – leases for agreements whereby the District leases building space to other entities, with interest rates ranging from 0.36% to 2.62%. The lease receivable amount is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured at

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the amounts as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized over the life of the lease term.

Principal and interest lease payments received by the District amounted to \$445,854 and \$45,749, respectively, for the fiscal year ended June 30, 2024.

Future minimum rental receipts for these leases are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 489,836	\$ 35,406	\$ 525,242
2026	455,670	24,541	480,211
2027	480,506	13,167	493,673
2028	259,697	3,700	263,397
	\$ 1,685,709	\$ 76,814	\$ 1,762,523

District management has deemed the amounts to be fully collectible.

**NOTE 9 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:**

**A) Capital Assets**

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
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	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,937,000	\$ -	\$ -	\$ 1,937,000
Construction in progress	11,915,032	8,348,975	(\$2,390,074)	17,873,933
Total capital assets not being depreciated	13,852,032	8,348,975	(2,390,074)	19,810,933
Capital assets that are depreciated:				
Building and building improvements	182,069,978		2,390,074	184,460,052
Furniture and equipment	12,496,484	1,326,325	(1,732,931)	12,089,878
Land improvements	6,959,324			6,959,324
Total capital assets being depreciated	201,525,786	1,326,325	657,143	203,509,254
Less accumulated depreciation:				
Building and building improvements	73,669,039	3,013,823		76,682,862
Furniture and equipment	7,832,795	978,297	(1,614,375)	7,196,717
Land improvements	6,336,951	143,091		6,480,042
Total accumulated depreciation	87,838,785	4,135,211	(1,614,375)	90,359,621
Total capital assets being depreciated, net	113,687,001	(2,808,886)	2,271,518	113,149,633
Total capital assets, net	\$ 127,539,033	\$ 5,540,089	\$ (118,556)	\$ 132,960,566

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

General support	\$2,786,440
Instruction	1,406,061
Pupil transportation	29,051
Food service program	32,215
Total depreciation expense and loss on disposals	<u>\$4,253,767</u>

**B) Intangible Lease Assets**

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such a lease agreement for various copiers and other equipment items with an implicit interest rate between 0.26% and 3.93%.

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2024:

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NOTES TO FINANCIAL STATEMENTS  
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	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture and equipment	\$ 269,362	\$ 41,917	\$ -	\$ 311,279
Total intangible lease assets being amortized	269,362	41,917	-	311,279
Less accumulated amortization:				
Furniture and equipment	137,546	74,886	-	212,432
Total accumulated amortization	137,546	74,886	-	212,432
Total intangible lease assets, net	\$ 131,816	\$ (32,969)	\$ -	\$ 98,847

Amortization expense of \$74,886 was charged to the governmental functions as general support.

**NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:**

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 11,195,046	\$ 7,826,088	\$ 96,021	\$ 1,124,254
Special aid fund	2,729,301	5,692,074	262,170	
School lunch fund	452,628	1,847,123	2,084	
Debt service fund	1,008,422	264,305		
Capital projects fund	1,807,455	1,563,262	860,000	96,021
Total government activities	17,192,852	17,192,852	1,220,275	1,220,275
Totals	\$ 17,192,852	\$ 17,192,852	\$ 1,220,275	\$ 1,220,275

The District typically transfers from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities and to fund the State Supported Section 4201 schools. The District transferred from the general fund to the school lunch fund to cover negative student account balances. The District transferred from the general fund to the capital projects fund for the voter approved use of the capital reserve to fund capital projects.

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

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - SHORT-TERM DEBT:**

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

	Maturity	Effective Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/21/2024	5.25%	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -
Total			<u>\$ -</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ -</u>

On November 16, 2023, the District issued a tax anticipation note (TAN) for \$20,000,000, maturing on June 21, 2024, for interim financing of the general fund operations. The TAN has a stated interest rate of 5.25% per annum. Short-term interest on TAN for the fiscal year ended was \$627,083.

**NOTE 12 – LONG-TERM LIABILITIES:**

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Bonds payable:					
Refunding bonds	\$ 1,370,000	\$ -	\$ 1,370,000	\$ -	\$ -
Serial bonds	38,290,000		2,435,000	35,855,000	2,555,000
Add: premiums on obligations	5,169,842		569,428	4,600,414	411,339
Total bonds payable	<u>44,829,842</u>	<u>-</u>	<u>4,374,428</u>	<u>40,455,414</u>	<u>2,966,339</u>
Other liabilities:					
Lease liability	111,965	41,917	84,717	69,165	43,058
Energy performance contract debt payable	10,499,272		1,220,935	9,278,337	1,251,809
Compensated absences payable	8,497,398	422,399	403,993	8,515,804	586,889
Workers' compensation claims payable	536,631	910,303	707,069	739,865	
Net pension liability - proportionate share - ERS	7,631,441		2,373,156	5,258,285	
Net pension liability - proportionate share - TRS	5,779,502		2,409,928	3,369,574	
Total other post-employment benefits obligation	<u>149,299,327</u>	<u>15,189,156</u>	<u>6,258,024</u>	<u>158,230,459</u>	<u>4,253,680</u>
Total long-term liabilities	<u>\$ 227,185,378</u>	<u>\$ 16,563,775</u>	<u>\$ 17,832,250</u>	<u>\$ 225,916,903</u>	<u>\$ 9,101,775</u>

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**A) Bonds Payable:**

Bonds payable is composed of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Serial Bond 2020	6/25/2020	6/15/2035	2.00% - 5.00%	28,990,000
Serial Bond 2021	7/22/2021	6/30/2036	2.00% - 5.00%	6,865,000
			Total	<u>\$ 35,855,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 2,555,000	\$ 1,246,350	\$ 3,801,350
2026	2,680,000	1,118,600	3,798,600
2027	2,820,000	984,600	3,804,600
2028	2,960,000	843,600	3,803,600
2029	3,105,000	695,600	3,800,600
2030 - 2034	17,350,000	1,661,550	19,011,550
2035 - 2036	4,385,000	101,100	4,486,100
	<u>\$ 35,855,000</u>	<u>\$ 6,651,400</u>	<u>\$ 42,506,400</u>

Upon default of the payment of principal or interest on the serial bonds of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

**Unamortized Premiums on Bonds**

The District received premiums on the issuance and refunding of serial bonds. These premiums are being amortized over the lives of the serial bonds and refunding bonds. Amortization is included as a component of interest expense on the District-Wide Financial Statements as follows:

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Fiscal Year Ended June 30,	
2025	\$ 411,339
2026	411,339
2027	411,339
2028	411,339
2029	411,339
2030 - 2034	2,056,698
2035 - 2036	487,021
	\$ 4,600,414

**B) Lease Liability**

The District recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such a lease agreement with Eastern Suffolk BOCES for various copiers and other equipment items with an implicit interest rate ranging from 0.26% to 3.93%

Principal and interest amounts paid on the District's lease liability amounted to \$84,717 and \$1,102, respectively, for the fiscal year ended June 30, 2024.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 43,058	\$ 1,285	\$ 44,343
2026	10,503	838	11,341
2027	10,924	418	11,342
2028	4,680	46	4,726
	\$ 69,165	\$ 2,587	\$ 71,752

**C) Energy Performance Contract Debt Payable:**

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Energy performance contract debt	8/13/2010	2/13/2026	3.35%	\$ 1,370,381
Energy performance contract debt	10/14/2021	10/14/2036	1.55%	7,907,956
			Total	\$ 9,278,337

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
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The following is a summary of debt service requirements for energy performance contract debt payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,251,809	\$ 160,654	\$ 1,412,463
2026	1,283,564	128,898	1,412,462
2027	596,127	102,215	698,342
2028	605,402	92,939	698,341
2029	614,823	83,519	698,342
2030-2034	3,220,625	271,083	3,491,708
2035-2037	1,705,987	39,868	1,745,855
	\$ 9,278,337	\$ 879,176	\$ 10,157,513

**D) Long-Term Interest:**

Interest on long-term debt, lease liability, and energy performance contract debt payable for the fiscal year was composed of:

	Total
Interest paid	\$ 1,629,230
Less interest accrued in the prior year	(96,211)
Less amortization of the premiums on obligations	(569,428)
Plus amortization of the deferred amounts on refunding	16,858
Plus interest accrued in the current year	79,361
Total interest expense	\$ 1,059,810

**NOTE 13 – PENSION PLANS:**

**A) Plan Description and Benefits Provided:**

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by

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enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

ii) Employees' Retirement System

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

**B) Funding policies:**

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
  - a. Employees who joined the system after July 27, 1976 and before January 1, 2010
    - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
  - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
    - i. Employees contribute 3.5% of their salary throughout active membership.
  - c. Employees who joined the system on or after April 1, 2012
    - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2024 for covered payroll was 14.9% for Tiers 3 and 4, 12.9% for Tier 5, and 9.5% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2024, was 9.76% of covered payroll.

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2024	\$5,506,179	\$1,765,154
2023	\$5,599,574	\$1,410,953
2022	\$5,228,975	\$1,738,406

**C) Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and 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) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(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 ERS and TRS Systems in reports provided to the District.

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	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	\$ (5,258,285)	\$ (3,369,574)
District's portion of the Plan's total		
net pension asset/(liability)	0.0357122%	0.294650%
Change in proportion since prior		
measurement date	0.000125%	-0.006540%

For the year ended June 30, 2024, the District recognized pension expense of \$2,598,896 for ERS and pension expense of \$9,885,796 for TRS. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 1,693,689	\$ 8,170,321	\$ 143,380	\$ 20,192
Net difference between projected and actual earnings on pension plan investment		1,722,459	2,568,644	
Changes of assumptions	1,988,039	7,254,593		1,581,099
Changes in proportion and differences between the District's contributions and proportionate share of contributions	645,949	875,805	7,282	172,009
District's contributions subsequent to the measurement date	591,641	5,506,179		
	<u>\$ 4,919,318</u>	<u>\$ 23,529,357</u>	<u>\$ 2,719,306</u>	<u>\$ 1,773,300</u>

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

	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2024	\$ -	\$ 1,618,774
2025	(705,754)	(1,561,079)
2026	1,200,211	13,635,971
2027	1,621,088	1,119,524
2028	(507,174)	895,631
Thereafter	541,057	
	<u>\$ 1,608,371</u>	<u>\$ 16,249,878</u>

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Actuarial Assumptions

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

The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually System's Experience	1.3% annually System's Experience
Inflation	2.90%	2.40%

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

For ERS, the actuarial assumptions used in the April 1, 2023, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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

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

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

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2024		June 30, 2023	
<u>Asset type</u>	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
	<u>Allocation</u>	<u>expected real rate</u>	<u>Allocation</u>	<u>expected real</u>
		<u>of return</u>		<u>rate of return</u>
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.6%
Global equity			4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real estate	9%	4.60%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.2%
Global bonds			2%	1.6%
High-yield bonds			1%	4.4%
Private debt			2%	6.0%
Real estate debt			6%	3.2%
Cash equivalents			1%	0.3%
	<u>100%</u>		<u>100%</u>	

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

Discount Rate

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

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was applied to all periods of projected benefit payments to determine the total pension asset/(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 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS ) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<b>ERS</b>			
District's proportionate share of the net pension asset/(liability)	\$ (16,532,584)	\$ (5,258,285)	\$ 4,158,094
<b>TRS</b>			
District's proportionate share of the net pension asset/(liability)	\$ (51,320,324)	\$ (3,369,574)	\$ 36,959,080

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of the employers as of the respective measurement dates were as follows:

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2024 represent the

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projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$591,641.

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, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$5,888,003.

**NOTE 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 of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2024, totaled \$249,250 and \$3,323,736, respectively.

**B) Deferred Compensation Plan:**

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for some employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2024 totaled \$20,000.

**NOTE 15 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS OPEB:**

**A) General Information about the OPEB Plan:**

Plan Description

The District's OPEB Plan (the "Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and all active employees and retirees are covered by either the Empire Plan, HIP Prime HMO plan (under 65), and HIP VIP HMO Plan (65+). A small number of retirees also receive dental insurance benefits. Article 37 of the Statutes of the state assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefits terms provide for the District to contribute between 50% and 100% of premiums for retirees, between 35% and 75% of the excess premiums for family coverage, and 0% of the premiums for surviving spouses, depending on the coverage selected and the date of retirement. The District recognizes the cost of the Plan annually as expenditures in the Fund Financial Statements as payments are accrued. For fiscal year 2024, the District contributed an estimated \$4,362,500 to the Plan, including \$4,362,500 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	472
Active employees	<u>544</u>
	<u>1,016</u>

**B) Total OPEB Liability:**

The District’s total OPEB liability of \$158,230,459 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.:

Inflation 2.70%

Discount rate 4.21%

Healthcare cost trend rates

Medical	Actual increases from 2022 to 2024, followed by 6.25% for 2024, decreasing to an ultimate rate of 4.14% by 2076
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Part B Reimbursement	Actual trend from 2022 to 2024, 6.16% increase from 2023 to 2024, decreasing to an ultimate rate of 4.14% by 2076
Dental	3.50% from 2022 to 2023 decreasing 0.25% per year to ultimate rate of 3.00%

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

Mortality rates were based on the Pub-2010 Headcount-Weighted table projected fully generationally using MP-2021.

**C) Changes in the Total OPEB Liability:**

Balance at June 30, 2023	\$ 149,299,327
Changes for the fiscal year:	
Service cost	4,267,009
Interest	6,253,115
Changes of benefit terms	
Differences between expected and actual experience	4,669,032
Changes in assumptions or other inputs	(1,895,524)
Benefit payments	(4,362,500)
Net changes	8,931,132
Balance at June 30, 2024	<u>\$ 158,230,459</u>

There were no significant plan changes since the last valuation.

Changes of assumptions or other inputs include an increase in the discount rate from 4.13% at the June 30, 2023 measurement date to 4.21% at the June 30, 2024 measurement date.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	<u>\$ 184,525,013</u>	<u>\$ 158,230,459</u>	<u>\$ 137,092,115</u>

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

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 132,541,381	\$ 158,230,459	\$ 191,322,913

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$10,612,093. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,973,733	\$ (5,943,848)
Changes of assumptions or other inputs	17,172,894	(27,644,641)
	<u>\$ 32,146,627</u>	<u>\$ (33,588,489)</u>

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

Fiscal Year Ended June 30:	
2025	\$ 347,932
2026	832,890
2027	(3,835,527)
2028	750,590
2029	462,253
	<u>\$ (1,441,862)</u>

**NOTE 16 – 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:

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Workers' compensation	\$ 375,000
Retirement contribution	
Employees' retirement system	1,500,000
Teachers' retirement system	2,100,000
Employee benefit accrued liability	400,000
	<u>\$ 4,375,000</u>

**NOTE 17 – ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$850,000 has been appropriated as of June 30, 2024 to reduce taxes for the year ending June 30, 2025.

**NOTE 18 – RESTRICTED FOR CAPITAL RESERVE**

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

	<u>Capital Reserve</u>	<u>Capital Reserve II</u>	
Date Created	2019	2022	
Number of Years to Fund	10	20	
Maximum Funding	\$ 20,000,000	\$ 30,000,000	
<b>General Fund</b>			Total
Funding Provided	\$ 6,362,700	\$ 8,237,722	\$ 14,600,422
Interest Earnings	110,235	324,702	434,937
Use of Reserve	(6,335,294)	(7,408,685)	(13,743,979)
Total General Fund	<u>137,641</u>	<u>1,153,739</u>	<u>1,291,380</u>
<b>Capital Projects Fund</b>			
Funding Provided	6,335,294	7,408,685	13,743,979
Use of Reserve	(5,574,276)	(3,041,903)	(8,616,179)
Total Capital Projects Fund	<u>761,018</u>	<u>4,366,782</u>	<u>5,127,800</u>
Balance as of June 30, 2024	<u>\$ 898,659</u>	<u>\$ 5,520,521</u>	<u>\$ 6,419,180</u>

**NOTE 19 – RISK MANAGEMENT:**

**A) General:**

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

**B) Public Entity Risk Pool:**

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool, for its property and liability insurance coverage. The pool

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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.

**C) Self-Insured Plan:**

The District has established a self-insured plan under Wright Risk Management for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported claims which were incurred on or before year-end but not paid. As of June 30, 2024, the District has estimated potential workers' compensation claims liability of \$739,865 and has a workers' compensation reserve balance of \$800,495. Claims activity for the current and preceding fiscal year is summarized below.

	2024	2023
Unpaid claims, beginning of year	\$ 536,631	\$ 756,355
Incurred claims and claim adjustment expenses	910,303	200,356
Claim payments	(707,069)	(420,080)
Unpaid claims, end of year	<u>\$ 739,865</u>	<u>\$ 536,631</u>

**NOTE 20- TAX ABATEMENTS:**

The Town of Islip Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 898-b, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Town of Islip. The District's property tax revenue was reduced by \$116,258 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$91,802 for these programs during the fiscal year.

**NOTE 21- COMMITMENTS AND CONTINGENCIES:**

**A) Encumbrances:**

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

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General Fund:	
General support	\$ 430,818
Instruction	342,489
Total General Fund	<u>\$ 773,307</u>
School Lunch Fund:	
General support	<u>\$ 49,730</u>
Special Aid Fund:	
Instruction	<u>\$ 12,466</u>
Capital Projects Fund:	
Capital projects	<u>\$ 3,596,190</u>
Total	<u><u>\$ 4,431,693</u></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, will be immaterial.

**C) Litigation:**

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any at this time.

At this time, the District has three active lawsuits under the Child Victim's Act. The District is in the process of settling these matters. The District reserves the right to pursue an action against its former insurers for all or a part of the settlement amount. Should the plaintiffs in the lawsuits be successful in actions against the District, any liability in excess of any insurance coverage that may be available will be a District charge and would be funded through budgetary appropriations.

**NOTE 22 – SUBSEQUENT EVENTS:**

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through October 10, 2024, the date of this report, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

## **SUPPLEMENTARY INFORMATION**

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUES</b>				
Local sources				
Real property taxes	\$ 85,855,627	\$ 86,568,345	\$ 86,571,008	\$ 2,663
Other real property tax items	6,343,777	5,631,059	5,629,521	(1,538)
Charges for services	1,701,550	1,701,550	1,651,328	(50,222)
Use of money and property	1,399,330	1,399,330	2,524,928	1,125,598
Sale of property				
and compensation for loss			25,748	25,748
Miscellaneous	545,000	546,182	1,645,076	1,098,894
State sources				
Basic formula	26,024,962	26,024,962	23,399,483	(2,625,479)
Excess cost aid	4,511,350	4,511,350	5,766,552	1,255,202
Lottery aid	3,920,098	3,920,098	5,057,434	1,137,336
BOCES aid	1,159,640	1,159,640	1,172,133	12,493
Textbook aid	232,942	232,942	227,467	(5,475)
Computer software aid	74,226	74,226	74,122	(104)
Library A/V loan program aid	30,969	30,969	30,925	(44)
Computer hardware	55,759	55,759	55,680	(79)
<b>TOTAL REVENUES</b>	<u>131,855,230</u>	<u>131,856,412</u>	<u>133,831,405</u>	<u>1,974,993</u>
Other financing sources				
Transfers from other funds			96,021	96,021
Premium on obligations	165,000	165,000	139,400	(25,600)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>132,020,230</u>	<u>132,021,412</u>	<u>134,066,826</u>	<u>\$ 2,045,414</u>
Appropriated fund balance	850,000	850,000		
Appropriated reserves	2,973,565	3,833,565		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE AND RESERVES</b>	<u>\$ 135,843,795</u>	<u>\$ 136,704,977</u>		

**Note to Required Supplementary Information**

Budget Basis of Accounting

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

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL- GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
<b>EXPENDITURES</b>					
General support					
Board of education	\$ 94,848	\$ 98,415	\$ 98,290	\$ 61	\$ 64
Central administration	356,958	392,237	392,237		-
Finance	1,356,937	1,435,513	1,396,028	38,858	627
Staff	858,037	854,126	798,504		55,622
Facilities - operation and maintenance	12,820,776	12,438,912	12,005,020	391,899	41,993
Special items	1,538,694	1,523,807	1,523,807		-
Total General Support	<u>17,026,250</u>	<u>16,743,010</u>	<u>16,213,886</u>	<u>430,818</u>	<u>98,306</u>
Instruction					
Instruction, adm., and imp.	5,548,781	5,648,270	5,646,064	1,043	1,163
Teaching - regular school	40,781,317	41,074,364	40,307,674	195,097	571,593
Programs for children with handicapping conditions	14,899,360	15,100,458	14,873,678	11,949	214,831
Occupational education	1,110,135	1,251,414	1,251,414		-
Teaching special schools	552,359	585,938	585,743		195
Instructional media	3,234,117	3,028,235	2,878,700	134,130	15,405
Pupil services	6,120,097	6,044,299	5,750,458	270	293,571
Total Instruction	<u>72,246,166</u>	<u>72,732,978</u>	<u>71,293,731</u>	<u>342,489</u>	<u>1,096,758</u>
Pupil transportation	<u>6,842,092</u>	<u>6,487,564</u>	<u>6,014,573</u>		<u>472,991</u>
Community services	<u>14,100</u>	<u>23,810</u>	<u>23,810</u>		<u>-</u>
Employee benefits	<u>32,288,126</u>	<u>32,226,396</u>	<u>31,986,655</u>		<u>239,741</u>
Debt service					
Debt service - principal	5,025,934	5,110,652	5,110,652		-
Debt service - interest	2,171,127	2,256,313	2,256,313		-
Total Debt Service	<u>7,197,061</u>	<u>7,366,965</u>	<u>7,366,965</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>135,613,795</u>	<u>135,580,723</u>	<u>132,899,620</u>	<u>773,307</u>	<u>1,907,796</u>
Other financing uses					
Transfers to other funds	<u>230,000</u>	<u>1,124,254</u>	<u>1,124,254</u>		<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 135,843,795</u>	<u>\$ 136,704,977</u>	<u>134,023,874</u>	<u>\$ 773,307</u>	<u>\$ 1,907,796</u>
Net change in fund balances			42,952		
Fund balances - beginning of year			<u>28,476,929</u>		
Fund balances - end of year			<u>\$ 28,519,881</u>		

**Note to Required Supplementary Information**

Budget Basis of Accounting

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

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

<b>NYSERS Pension Plan</b>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.0357122%	0.0355877%	0.0352236%	0.0326227%	0.0329457%	0.0329675%	0.0333431%	0.0346195%	0.0352373%	0.0358104%
District's proportionate share of the net pension asset/(liability)	\$ (5,258,285)	\$ (7,631,441)	\$ 2,879,381	\$ (32,484)	\$ (8,724,210)	\$ (2,335,848)	\$ (1,076,130)	\$ (3,252,925)	\$ (5,655,690)	\$ (1,209,761)
District's covered payroll	\$ 13,984,346	\$ 13,924,979	\$ 12,163,811	\$ 11,907,126	\$ 11,893,241	\$ 11,305,580	\$ 11,161,730	\$ 10,725,767	\$ 10,882,612	\$ 10,393,331
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	37.60%	54.80%	23.67%	0.27%	73.35%	20.66%	9.64%	30.33%	51.97%	11.64%
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%
<b>NYSTRS Pension Plan</b>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.294650%	0.301190%	0.307690%	0.303136%	0.299928%	0.309839%	0.315457%	0.321247%	0.321738%	0.329697%
District's proportionate share of the net pension asset/(liability)	\$ (3,369,574)	\$ (5,779,502)	\$ 53,319,803	\$ (8,376,466)	\$ 7,792,148	\$ 5,602,708	\$ 2,397,783	\$ (3,440,692)	\$ 33,418,339	\$ 36,726,144
District's covered payroll	\$ 54,821,344	\$ 53,523,839	\$ 52,392,833	\$ 51,886,546	\$ 50,679,870	\$ 50,796,363	\$ 50,315,422	\$ 50,712,360	\$ 50,984,983	\$ 50,940,830
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.15%	10.80%	101.77%	16.14%	15.38%	11.03%	4.77%	6.78%	65.55%	72.10%
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%

**Notes to Required Supplementary Information**

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

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

<b>NYSERS Pension Plan</b>										
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contribution	\$ 1,765,154	\$ 1,410,953	\$ 1,738,406	\$ 1,777,015	\$ 1,597,344	\$ 1,622,412	\$ 1,597,268	\$ 1,703,262	\$ 1,755,988	\$ 1,843,613
Contributions in relation to the contractually required contribution	1,765,154	1,410,953	1,738,406	1,777,015	1,597,344	1,622,412	1,597,268	1,703,262	1,755,988	1,843,613
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	\$ 14,059,149	\$ 13,670,601	\$ 12,657,997	\$ 12,243,617	\$ 11,837,167	\$ 11,367,238	\$ 11,290,444	\$ 10,793,969	\$ 11,073,087	\$ 10,540,422
Contributions as a percentage of covered payroll	12.56%	10.32%	13.73%	14.51%	13.49%	14.27%	14.15%	15.78%	15.86%	17.49%
<b>NYSTRS Pension Plan</b>										
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contribution	\$ 5,506,179	\$ 5,599,574	\$ 5,228,975	\$ 4,977,076	\$ 4,563,021	\$ 5,316,674	\$ 4,946,600	\$ 5,858,766	\$ 6,573,205	\$ 8,472,150
Contributions in relation to the contractually required contribution	5,506,179	5,599,574	5,228,975	4,977,076	4,563,021	5,316,674	4,946,600	5,858,766	6,573,205	8,472,150
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	\$ 56,792,941	\$ 54,821,344	\$ 53,523,839	\$ 52,392,833	\$ 51,886,546	\$ 50,679,870	\$ 50,796,363	\$ 50,315,422	\$ 50,712,360	\$ 50,984,983
Contributions as a percentage of covered payroll	9.70%	10.21%	9.77%	9.50%	8.79%	10.49%	9.74%	11.64%	12.96%	16.62%

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

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 4,267,009	\$ 4,365,174	\$ 6,289,307	\$ 6,303,825	\$ 4,666,907	\$ 3,624,273	\$ 2,538,811
Interest	6,253,115	5,116,820	3,780,115	3,556,554	4,902,361	4,369,737	4,000,912
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	4,669,032	12,162,907	2,705,357	3,783,706	(17,401,334)	(3,888,153)	-
Changes of assumptions or other inputs	(1,895,524)	(10,432,893)	(37,249,639)	4,415,165	31,392,039	25,246,105	(5,671,397)
Benefit payments	<u>(4,362,500)</u>	<u>(4,144,858)</u>	<u>(3,996,597)</u>	<u>(3,942,148)</u>	<u>(3,916,119)</u>	<u>(3,364,285)</u>	<u>(3,341,261)</u>
<b>Net change in total OPEB liability</b>	8,931,132	7,067,150	(28,471,457)	14,117,102	19,643,854	25,987,677	(2,472,935)
<b>Total OPEB liability - beginning</b>	<u>149,299,327</u>	<u>142,232,177</u>	<u>170,703,634</u>	<u>156,586,532</u>	<u>136,942,678</u>	<u>110,955,001</u>	<u>113,427,936</u>
<b>Total OPEB liability - ending</b>	<u><b>\$ 158,230,459</b></u>	<u><b>\$ 149,299,327</b></u>	<u><b>\$ 142,232,177</b></u>	<u><b>\$ 170,703,634</b></u>	<u><b>\$ 156,586,532</b></u>	<u><b>\$ 136,942,678</b></u>	<u><b>\$ 110,955,001</b></u>
<b>Covered-employee payroll</b>	\$ 66,579,160	\$ 65,146,915	\$ 62,835,262	\$ 55,941,420	\$ 67,231,525	\$ 60,335,464	\$ 55,893,574
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	237.66%	229.17%	226.36%	305.15%	232.91%	226.97%	198.51%
<b>Discount rate</b>	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%

**Notes to Required Supplementary Schedule:***Trust Assets*

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

See Note 15 to the financial statements for consideration of changes in assumptions since the last full valuation.

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION  
JUNE 30, 2024**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted budget		\$ 134,220,230
Add: prior year's encumbrances		<u>1,623,565</u>
Original budget		135,843,795
Budget revisions:		
Appropriation from the capital reserve	\$ 860,000	
Donations	<u>1,182</u>	<u>861,182</u>
Final budget		<u><u>\$ 136,704,977</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2024-2025 voter-approved expenditure budget		<u><u>\$ 138,761,990</u></u>
Maximum allowed (4% of 2024-2025 budget)		<u><u>\$ 5,550,480</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 1,623,307	
Unassigned fund balance	<u>5,550,480</u>	
Total unrestricted fund balance		7,173,787
Less:		
Appropriated fund balance	\$ 850,000	
Encumbrances included in assigned fund balance	<u>773,307</u>	
Total adjustments		<u>1,623,307</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 5,550,480</u></u>
Actual percentage:		<u><u>4.00%</u></u>

**WEST ISLIP UNION FREE SCHOOL DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**JUNE 30, 2024**

Project Title	Original Appropriation	Revised Appropriation	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
			Prior Year's	Current Year	Transfer to General Fund	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Capital Reserve Projects May 2021	\$ 1,680,000	\$ 1,680,000	\$ 97,638	\$ -	\$ 96,021	\$ 193,659	\$ 1,486,341	\$ -	\$ -	\$ 1,680,000	\$ 1,680,000	\$ 1,486,341
Capital Reserve Projects May 2022	2,900,000	2,900,000	1,094,584	41,057		1,135,641	1,764,359			2,900,000	2,900,000	1,764,359
Capital Reserve Projects January 2023	8,400,000	8,400,000	3,858,370	3,524,530		7,382,900	1,017,100			8,400,000	8,400,000	1,017,100
Capital Reserve Projects 2024	860,000	860,000	-	-		-	860,000			860,000	860,000	860,000
\$49.9 Million Bond Issue (2015)	1,650,353	48,901,581	\$ 47,435,331	2,405,451		49,840,782	(939,201)	48,186,581		715,000	48,901,581	(939,201) *
Districtwide Wi-Fi	210,330	1,217,888	1,217,888			1,217,888	-		1,137,770	210,330	1,348,100	130,212
Security Vestibule	10,600	561,081	90,192	17,289		107,481	453,600				-	(107,481) *
Energy Performance Contract Debt 2021	8,968,550	8,968,550	8,938,912			8,938,912	29,638	8,968,550			8,968,550	29,638
Masera-BOCES	1,655,000	1,655,000	-	873,953		873,953	781,047			1,655,000	1,655,000	781,047
23-24 Leases	41,917	41,917	-	41,917		41,917	-	41,917			41,917	-
<b>TOTAL</b>	<b>\$ 26,376,750</b>	<b>\$ 75,186,017</b>	<b>\$ 62,732,915</b>	<b>\$ 6,904,197</b>	<b>\$ 96,021</b>	<b>\$ 69,733,133</b>	<b>\$ 5,452,884</b>	<b>\$ 57,197,048</b>	<b>\$ 1,137,770</b>	<b>\$ 16,420,330</b>	<b>\$ 74,755,148</b>	<b>\$ 5,022,015</b>

\* Deficit fund balance will be eliminated when permanent financing is obtained.

**WEST ISLIP UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS  
JUNE 30, 2024**

<b>Capital assets, net</b>		\$ 132,960,566
<b>Intangible lease assets, net</b>		98,847
<b>Deduct:</b>		
Accounts payable	\$ 1,289,163	
Short-term portion of bonds payable, inclusive of unamortized premiums	2,966,339	
Long-term portion of bonds payable, inclusive of unamortized premiums	37,489,075	
Short-term lease liability	43,058	
Long-term lease liability	26,107	
Short-term energy performance contract payable	1,251,809	
Long-term energy performance contract payable	8,026,528	
Less: Unspent debt proceeds	<u>(29,638)</u>	<u>51,062,441</u>
<b>Net investment in capital assets</b>		<u><u>\$ 81,996,972</u></u>

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

To the Board of Education  
West Islip Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the West Islip 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 10, 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, New York  
October 10, 2024