



FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2024

PLAINEDGE UNION FREE SCHOOL DISTRICT
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INDEPENDENT AUDITOR’S REPORT

To the Board of Education
 Plainedge Union Free School District
 North Massapequa, New York

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of Plainedge Union Free School District (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 as listed in the table of contents.

Summary of Opinions

OPINION UNIT	TYPE OF OPINION
Governmental Activities	<i>Unmodified</i>
General Fund	<i>Unmodified</i>
Special Aid Fund	<i>Unmodified</i>
School Food Service Fund	<i>Unmodified</i>
Debt Service Fund	<i>Unmodified</i>
Capital Projects Fund	<i>Unmodified</i>
Extracurricular Activities Fund	<i>Qualified</i>
Scholarships Fund	<i>Unmodified</i>
Fiduciary Fund	<i>Unmodified</i>

Qualified Opinion on Extracurricular Activities Fund

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the extracurricular activities fund of Plainedge Union Free School District, as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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, other than the extracurricular activities fund, and the fiduciary fund of Plainedge Union Free School District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion and Unmodified 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 Plainedge Union Free School 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Extraclassroom Activities Fund

The cash receipts records of the student activities that comprise the extraclassroom activities fund of Plainedge Union Free School District were not sufficient to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

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 management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the district's proportionate share of the net pension asset/(liability), schedule of district pension contributions, and schedule of changes in the district's total OPEB liability and related ratios on pages 4 through 18 and 56 through 60, 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.

Other Information

The other information on pages 61 through 65 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024, on our consideration of Plainedge Union Free School 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 Plainedge Union Free School 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 Plainedge Union Free School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

October 2, 2024

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024, are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by \$1,195,768. This was due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$107,122,059. Of this amount, \$8,610,179 was offset by program charges for services, operating grants and contributions, and capital grants. General revenues of \$97,316,112 amount to 91.87% of total revenues, and were not adequate to cover the balance of program expenses.
- The District's general fund fund balance, as reflected in the fund financial statements was \$29,886,247 at June 30, 2024. This balance represents a \$1,814,077 increase (6.46%) over the prior year, due to an excess of revenues over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
 - Restricted fund balances increased by \$1,847,405 due to Board-approved transfers and interest earned, net of amounts used to pay current period expenses.
 - Assigned fund balance decreased \$148,069, as the District lowered the assignment for encumbrances, offset by an increase in the amount appropriated for the 2024-2025 year.
 - Unassigned fund balance increased by \$114,741 to \$4,163,256.
- The District's 2024 property tax levy of \$68,695,987 was 1.50% over the 2023 tax levy. The District's property tax cap was 2.22%.
- On May 15, 2018, the voters approved capital reserve III. The reserve has a funding cap of \$15,000,000 plus investment income and a probable term of 15 years, and provides for annual funding of an amount not to exceed \$2,500,000. This reserve has been funded by the District in the amount of \$11,967,409 and has earned interest of \$202,231 through June 30, 2024. To date, the voters approved to expend \$9,446,086 from the reserve for capital projects, including \$2,300,000 for projects as approved by the voters on May 21, 2024, under Proposition 3. The reserve balance in the general fund is \$2,723,554.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

- On May 21, 2019, the voters approved capital reserve IV. The capital reserve – facilities upgrade has a funding cap of \$25,000,000 plus investment income and a probable term of 15 years. As part of the voter approval, the reserve was to be funded by net proceeds from the liquidation of split dollar life insurance policies owned by the Board of Education not to exceed \$2,500,000, unspent bond proceeds and interest remaining in the debt service fund not to exceed \$1,700,000, and from surplus monies remaining in unreserved, unassigned fund balance in the general fund in an annual amount not to exceed \$5,000,000 each year. This reserve has been funded by the District in the amount of \$18,942,885 and has earned interest of \$151,650 through June 30, 2024. To date, the voters approved to expend \$16,255,410 from the reserve for capital projects, including \$2,730,000 for projects as approved by the voters on May 16, 2024, under Proposition 2. The reserve balance in the general fund is \$2,839,125.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Statement of Activities

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

B. Fund Financial Statements

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

Governmental Funds

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

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

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

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

Fiduciary Funds

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$1,225,746 between fiscal year 2023 and 2024. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	June 30, 2024	June 30, 2023	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 64,336,757	\$ 58,750,183	\$ 5,586,574	9.51 %
Capital Assets, Net	97,855,073	89,548,030	8,307,043	9.28 %
Total Assets	<u>162,191,830</u>	<u>148,298,213</u>	<u>13,893,617</u>	9.37 %
Deferred Outflows of Resources	<u>48,096,911</u>	<u>62,403,375</u>	<u>(14,306,464)</u>	(22.93)%
Liabilities				
Current and Other Liabilities	9,415,501	9,342,416	73,085	0.78 %
Long-Term Liabilities	17,430,567	10,195,311	7,235,256	70.97 %
Total OPEB Liability	113,331,471	112,630,825	700,646	0.62 %
Net Pension Liabilities -				
Proportionate Share	6,197,753	9,718,923	(3,521,170)	(36.23)%
Total Liabilities	<u>146,375,292</u>	<u>141,887,475</u>	<u>4,487,817</u>	3.16 %
Deferred Inflows of Resources	<u>37,257,622</u>	<u>40,962,518</u>	<u>(3,704,896)</u>	(9.04)%
Net Position				
Net Investment in Capital Assets	89,612,162	84,660,870	4,951,292	5.85 %
Restricted	41,129,176	38,574,685	2,554,491	6.62 %
Unrestricted (Deficit)	<u>(104,085,511)</u>	<u>(95,383,960)</u>	<u>(8,701,551)</u>	9.12 %
Total Net Position	<u>\$ 26,655,827</u>	<u>\$ 27,851,595</u>	<u>\$ (1,195,768)</u>	(4.29)%

The increase in current and other assets is due primarily to the increase in the District's cash balances.

The increase in capital assets, net is the result of ongoing capital improvement projects in excess of depreciation/amortization. The accompanying Notes to Financial Statements, Note 9 "Capital Assets," provides additional information.

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

The increase in current and other liabilities is primarily related to increases in accounts payable and accrued liabilities, offset by a decrease in compensated absences payable.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The increase in long-term liabilities is due to proceeds of debt for a new energy performance contract, offset by repayments of the current maturities of debt.

Total OPEB liability increased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 14 "Postemployment Healthcare Benefits," provides additional information.

Net pension liabilities – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) and the New York State and Local Employees' Retirement System's (ERS) collective net pension liabilities, at the measurement date of the respective year. The decrease in net pension liabilities is primarily due to the net change in the market value of both the TRS' and ERS' pension plan assets being in excess of the net change in each plan's total pension liabilities at their current year measurement dates. The accompanying Notes to Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

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

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

The restricted amount relates to the District's reserves, which increased over the prior year, mainly due to voter-approved propositions 2 and 3 of the May 21, 2024 vote, funding received and interest earned, in excess of appropriations for expenditures and the transferring of capital reserve funding to the capital projects fund.

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

B. Changes in Net Position

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 4,011,999	\$ 3,112,874	\$ 899,125	28.88 %
Operating Grants & Contributions	4,553,550	4,054,916	498,634	12.30 %
Capital Grants	44,630	143,496	(98,866)	(68.90)%
General Revenues				
Property Taxes & STAR	68,781,840	67,833,993	947,847	1.40 %
State Sources	24,551,774	22,147,772	2,404,002	10.85%
Other	3,982,498	3,345,387	637,111	19.04 %
Total Revenues	<u>105,926,291</u>	<u>100,638,438</u>	<u>5,287,853</u>	5.25 %
Expenses				
General Support	13,614,098	14,344,057	(729,959)	(5.09)%
Instruction	87,171,418	81,301,732	5,869,686	7.22 %
Pupil Transportation	4,038,972	3,710,718	328,254	8.85 %
Community Services	905,127	783,332	121,795	15.55 %
Debt Service - Interest	391,634	103,396	288,238	278.77 %
Food Service Program	1,000,810	1,018,707	(17,897)	(1.76)%
Total Expenses	<u>107,122,059</u>	<u>101,261,942</u>	<u>5,860,117</u>	5.79 %
Change in Net Position	<u>\$ (1,195,768)</u>	<u>\$ (623,504)</u>	<u>\$ (572,264)</u>	91.78 %

Net position decreased by \$1,195,768 and \$623,504 for the years ended June 30, 2023 and June 30, 2024, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following major changes:

- State sources increased primarily due to higher general aid and lottery aid.
- Property taxes and STAR increased due to a rise in the tax levy in accordance with the 2023-2024 voter-approved budget.
- Charges for services increased as the tuition rate for out-of-district students increased and the number of students from other districts receiving services increased.

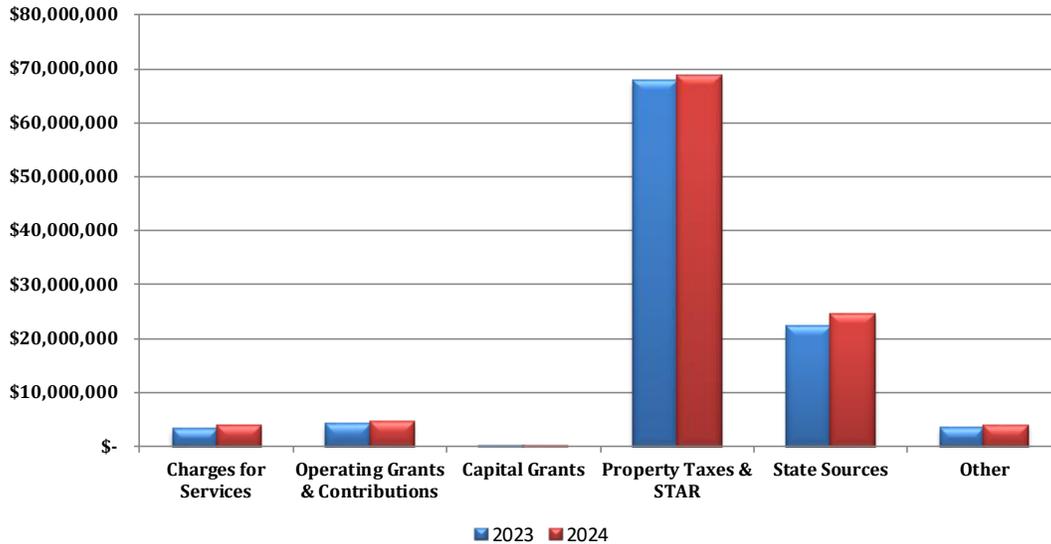
The District's expenses increased when compared to the prior year, primarily due to the following major change:

- Instruction expenses increased based on the impact of allocations of the net change in actuarially determined expenses for TRS and OPEB costs, and increased costs of health insurance.

**PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

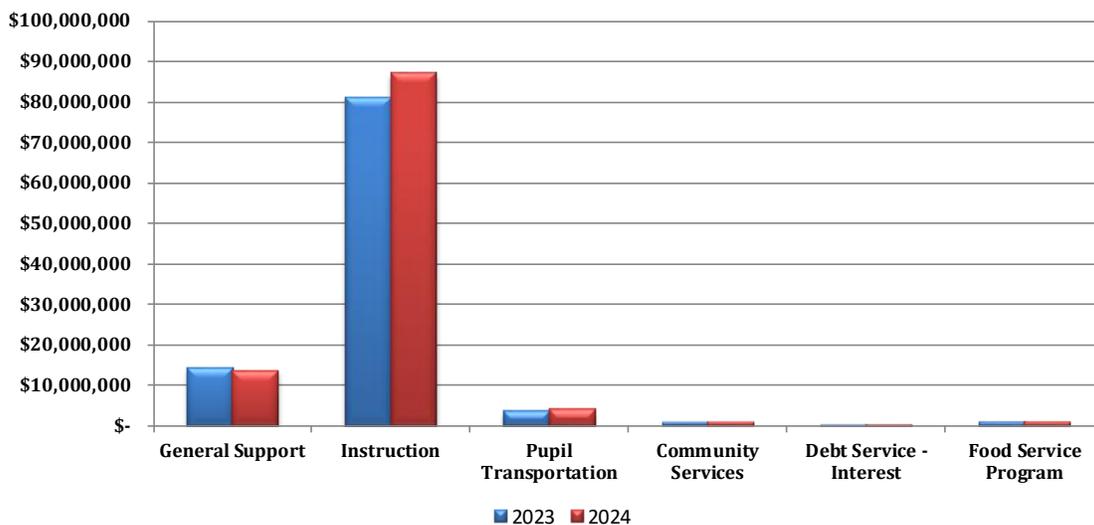
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 64.9% and 67.4% of the total for the years 2024 and 2023, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 81.4% and 80.2% of the total for the years 2024 and 2023, respectively).

Revenue Distribution



	Charges for Services	Operating Grants & Contributions	Capital Grants	Property Taxes & STAR	State Sources	Other
2023	3.1%	4.0%	0.1%	67.4%	22.0%	3.4%
2024	3.8%	4.3%	0.0%	64.9%	23.2%	3.8%

Expense Distribution



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
2023	14.2%	80.2%	3.7%	0.8%	0.1%	1.0%
2024	12.7%	81.4%	3.8%	0.8%	0.4%	0.9%

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District's governmental funds reported a combined fund balance of \$54,531,640, which is an increase of \$5,263,709 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund, is as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Restricted:				
Workers' compensation	\$ 1,208,736	\$ 1,002,058	\$ 206,678	20.63 %
Unemployment insurance	1,276,555	1,210,448	66,107	5.46 %
Retirement contribution				
Teachers' retirement system	3,421,486	2,718,457	703,029	25.86 %
Employees' retirement system	6,080,378	5,761,998	318,380	5.53 %
Employee benefit accrued liability	4,607,866	4,439,366	168,500	3.80 %
Capital	5,562,679	5,177,968	384,711	7.43 %
Assigned:				
Appropriated fund balance	3,237,756	3,189,644	48,112	1.51 %
Unappropriated fund balance	327,535	523,716	(196,181)	(37.46)%
Unassigned: Fund balance	4,163,256	4,048,515	114,741	2.83 %
	<u>29,886,247</u>	<u>28,072,170</u>	<u>1,814,077</u>	<u>6.46 %</u>
School Food Service Fund				
Nonspendable: Inventory	29,063	30,541	(1,478)	(4.84)%
Assigned: Unappropriated fund balance	679,758	677,858	1,900	0.28 %
	<u>708,821</u>	<u>708,399</u>	<u>422</u>	<u>0.06 %</u>
Debt Service Fund				
Restricted: Debt	16,311	-	16,311	100.00 %
Capital Projects Fund				
Restricted:				
Capital	18,945,824	18,253,749	692,075	3.79 %
Unspent Debt Proceeds	3,350,939	-	3,350,939	100.00 %
Assigned: Unappropriated fund balance	1,522,877	2,129,348	(606,471)	(28.48)%
	<u>23,819,640</u>	<u>20,383,097</u>	<u>3,436,543</u>	<u>16.86 %</u>
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	91,280	93,624	(2,344)	(2.50)%
Scholarships Fund				
Restricted: Scholarships	9,341	10,641	(1,300)	(12.22)%
Total Fund Balance	<u>\$ 54,531,640</u>	<u>\$ 49,267,931</u>	<u>\$ 5,263,709</u>	<u>10.68 %</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The general fund – fund balance is a net increase of \$1,814,077, compared to a decrease of \$2,271,778 in 2023.

The following is a summary of the major changes that resulted in revenues increasing over the prior year.

	2024	2023	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	\$ 68,781,840	\$ 67,833,993	\$ 947,847	1.40 %
Other Local Sources	6,951,571	5,475,092	1,476,479	26.97 %
State Sources	24,551,774	22,147,772	2,404,002	10.85 %
Medicaid Reimbursement	69,853	44,410	25,443	57.29 %
Federal Sources	56,673	389,508	(332,835)	(85.45)%
	<u>\$ 100,411,711</u>	<u>\$ 95,890,775</u>	<u>\$ 4,520,936</u>	4.71 %

- Other local sources increased primarily in the areas of use of money and property, and charges for services, as a result of higher interest rates and amounts received related to tuition for out-of-district students.
- State sources increased primarily due to higher general aid and lottery aid.
- Property taxes and STAR increased due to a rise in the tax levy in accordance with the 2023-2024 voter-approved budget.

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

	2024	2023	Increase (Decrease)	Percentage Change
General Support	\$ 10,804,068	\$ 11,829,257	\$ (1,025,189)	(8.67)%
Instruction	55,574,183	52,831,530	2,742,653	5.19 %
Pupil Transportation	3,257,174	3,300,154	(42,980)	(1.30)%
Community Services	612,788	547,838	64,950	11.86 %
Employee Benefits	20,722,145	19,684,703	1,037,442	5.27 %
Debt Service	128,821	173,906	(45,085)	(25.92)%
Other Financing Uses	7,498,455	9,795,165	(2,296,710)	(23.45)%
	<u>\$ 98,597,634</u>	<u>\$ 98,162,553</u>	<u>\$ 435,081</u>	0.44 %

- Instruction expenditures increased primarily in the areas of programs for students with disabilities and computer assisted instruction.
- Employee benefits increased as a result of higher health insurance rates.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

- General support expenditures decreased as the prior year included settlement of claims.
- Other financing uses decreased, as a result of the change in transfers to the capital projects fund.

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

	Balance June 30, 2023	Use of Reserves	Interest	Funding	Balance June 30, 2024
Workers' compensation	\$ 1,002,058	\$ (200,000)	\$ 37,978	\$ 368,700	\$ 1,208,736
Unemployment insurance	1,210,448	(29,769)	45,876	50,000	1,276,555
Retirement contribution					
TRS	2,718,457	-	103,029	600,000	3,421,486
ERS	5,761,998	(700,000)	218,380	800,000	6,080,378
EBALR	4,439,366	(240,777)	168,252	241,025	4,607,866
Capital					
Reserve III	2,442,502	(2,300,000)	81,052	2,500,000	2,723,554
Reserve IV	2,735,466	(2,730,000)	90,774	2,742,885	2,839,125
	<u>\$ 20,310,295</u>	<u>\$ (6,200,546)</u>	<u>\$ 745,341</u>	<u>\$ 7,302,610</u>	<u>\$ 22,157,700</u>

Additional detail regarding capital reserves can be found in Note 18 "Restricted for Capital Reserve."

B. School Food Service Fund

The school food service fund - fund balance net increase represents the net profit in the program. The District awarded a contract for cafeteria serving lines in the amount of \$269,800, plus related costs totaling \$314,913, which is included in the assigned-unappropriated fund balance.

C. Debt Service Fund

The debt service fund-fund balance net increase is the result of interest earnings.

D. Capital Projects Fund

The capital projects fund - fund balance net decrease is the result of general fund budgeted transfers and the 2024-2025 voter-approved proposition for the transfer of capital reserve funds exceeding capital expenditures.

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

	Balance June 30, 2023	Use of Reserves	Funding	Balance June 30, 2024
Reserve II	\$ 901,096	\$ (901,096)	\$	\$ -
Reserve III	3,827,243	(824,866)	2,300,000	5,302,377
Reserve IV	13,525,410	(2,611,963)	2,730,000	13,643,447
	<u>\$ 18,253,749</u>	<u>\$ (4,337,925)</u>	<u>\$ 5,030,000</u>	<u>\$ 18,945,824</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

E. Extraclassroom Activities Fund

The extraclassroom activities fund – fund balance net decrease is attributable to expenditures for student clubs activities exceeding revenues related to those activities.

F. Scholarships Fund

The scholarships fund – fund balance net decrease is the result of scholarships awarded exceeding scholarship donations and interest.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's general fund adopted budget for the year ended June 30, 2024 was \$101,212,913. This amount was increased by encumbrances carried forward from the prior year in the amount of \$523,716 and budget revisions of \$5,466,196 for a total final budget of \$107,202,825.

The final budget amount was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$68,695,987 in estimated property taxes and STAR receipts, and \$23,622,499 in estimated state aid.

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

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

Opening, Unassigned Fund Balance	\$ 4,048,515
Revenues Over Budget	3,202,246
Expenditures, Other Financing Uses, and Encumbrances Under Budget	8,277,656
Unused Appropriated Reserves	(79,454)
Allocation to Reserves	(8,047,951)
Appropriated to Fund the June 30, 2025 Budget	<u>(3,237,756)</u>
Closing, Unassigned Fund Balance	<u>\$ 4,163,256</u>

Opening, Unassigned Fund Balance

The \$4,048,515 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Revenues Over Budget

The 2023-2024 final budget for revenues was \$97,209,465. Actual revenues recognized for the year were \$100,411,711. Actual revenues were more than estimated or budgeted revenues by \$3,202,246. This change contributes directly to the change to the general fund unassigned fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2023-2024 final budget for expenditures and other financing uses, including prior year encumbrances and current year budget revisions, was \$107,202,825. Actual expenditures and other financing uses, as of June 30, 2024 were \$98,597,634 and outstanding encumbrances were \$327,535. Combined, the expenditures and other financing uses, plus encumbrances for 2023-2024 were \$98,925,169. The final budget variance was \$8,277,656, which contributes directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Unused Appropriated Reserves

In the 2023-2024 budget, \$1,250,000 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, \$79,454 of this funding was not needed and, therefore, it was returned to the reserves and is available for future use.

Allocation to Reserves

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

Appropriated Fund Balance

The District has chosen to use \$3,237,756 of the available June 30, 2024 unassigned fund balance to partially fund the 2024-2025 approved operating budget. As such, the June 30, 2024 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the unassigned fund balance at June 30, 2024 was \$4,163,256. This amount equals 4% of the 2024-2025 budget, which complies with the 4% statutory limit.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

A. Capital Assets

At June 30, 2024, the District had invested in a broad range of capital assets, as indicated in the following table. The net increase in capital assets is due to capital additions of \$13,809,326 in excess of depreciation/amortization expense of \$5,532,261 recorded for the year ended June 30, 2024. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2024 and 2023, is as follows:

	June 30, 2024	June 30, 2023	Increase (Decrease)
Land	\$ 819,000	\$ 819,000	\$ -
Construction in progress	15,249,713	6,276,376	8,973,337
Buildings and improvements	71,014,535	72,187,406	(1,172,871)
Furniture and equipment	10,277,880	9,644,084	633,796
Leased buildings	341,771	390,595	(48,824)
Leased equipment and fixtures	126,017	189,025	(63,008)
Subscription assets	26,157	41,544	(15,387)
Capital assets, net	<u>\$ 97,855,073</u>	<u>\$ 89,548,030</u>	<u>\$ 8,307,043</u>

B. Debt Administration

At June 30, 2024, the District had combined total debt of \$11,496,129. The decreases in outstanding debt represent principal payments made throughout the year, while the increase represents a new issuance. A summary of the outstanding debt at June 30, 2024 and 2023, is as follows:

Issue/ Commencement Date	Interest Rate	June 30, 2024	June 30, 2023	Increase (Decrease)
Energy Performance Contract Payable				
July 2014	2.75%	\$ 2,739,191	\$ 3,194,508	\$ (455,317)
August 2023	4.20%	8,264,860	-	8,264,860
		<u>\$ 11,004,051</u>	<u>\$ 3,194,508</u>	<u>\$ 7,809,543</u>
Lease Liabilities				
April 2018	1.059%	\$ 4,130	\$ 6,163	\$ (2,033)
July 2021	1.059%	119,678	178,573	(58,895)
July 2021	1.059%	352,887	399,323	(46,436)
		<u>\$ 476,695</u>	<u>\$ 584,059</u>	<u>\$ (107,364)</u>
Subscription Liabilities				
March 2023	2.656%	\$ 15,383	\$ 30,368	\$ (14,985)

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa2.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

C. Other Long-Term Liabilities

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

	June 30, 2024	June 30, 2023	Increase (Decrease)
Compensated absences payable	\$ 4,607,866	\$ 4,417,157	\$ 190,709
Early retirement annuities	-	10,000	(10,000)
Workers' compensation liabilities	1,326,572	1,959,219	(632,647)
Total OPEB liability	113,331,471	112,630,825	700,646
Net pension liabilities - proportionate share	6,197,753	9,718,923	(3,521,170)
	\$ 125,463,662	\$ 128,736,124	\$ (3,272,462)

7. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

A. Subsequent Year’s Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 21, 2024, for the year ending June 30, 2025, is \$104,081,405. This is an increase of \$2,868,492 or 2.83% over the previous year’s budget.

The District budgeted revenues other than property taxes and STAR at a \$1,230,808 increase over the prior year’s estimate, which is principally due to estimated increases in state sources. The assigned, appropriated fund balance applied to the budget in the amount of \$3,237,756 is a \$48,112 increase over the previous year. Additionally, the District has elected to appropriate \$1,500,000 of reserves towards the next year’s budget, which is \$250,000 more than the previous year. A property tax increase of \$1,339,572 (1.95%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid, which complicates long-range planning.
- The rise in employee salaries and health benefits, as well as contributions to pension programs.
- Changing circumstances of unforeseen events and risks including natural disasters and global pandemics.
- Economic conditions, including the impact of high inflation and interest rates.
- Legal and intergovernmental factors constraining tax increases, modifying revenue sources, and other regulatory changes.

PLAINEDGE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's 2024-2025 property tax increase of 1.95% was equal to the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

Mr. Peter Porrazzo
Assistant Superintendent for Business
Plainedge Union Free School District
241 Wyngate Drive
North Massapequa, New York 11758

PLAINEDGE UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

ASSETS

Cash and cash equivalents	\$ 15,140,598
Unrestricted	44,480,115
Restricted	
Receivables	
Accounts receivable	59,284
Taxes receivable	775,181
Due from state and federal	2,192,561
Due from other governments	1,659,955
Inventory	29,063
Capital assets:	
Not being depreciated	16,068,713
Being depreciated/amortized, net of accumulated depreciation/amortization	<u>81,786,360</u>
Total Assets	<u>162,191,830</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	21,683,069
Other postemployment benefits	<u>26,413,842</u>
Total Deferred Outflows of Resources	<u>48,096,911</u>

LIABILITIES

Payables	
Accounts payable	3,625,310
Accrued liabilities	382,596
Due to other governments	751
Due to teachers' retirement system	4,616,584
Due to employees' retirement system	343,694
Compensated absences payable	151,296
Other liabilities	34,700
Unearned credits	
Collections in advance	260,570
Long-term liabilities	
Due and payable within one year	
Energy performance contract payable	912,243
Lease liabilities	109,521
Subscription liabilities	15,383
Compensated absences payable	220,000
Workers' compensation liabilities	100,000
Total other postemployment benefits liability	2,829,698
Due and payable after one year	
Energy performance contract payable	10,091,808
Lease liabilities	367,174
Compensated absences payable	4,387,866
Workers' compensation liabilities	1,226,572
Total other postemployment benefits liability	110,501,773
Net pension liabilities - proportionate share	<u>6,197,753</u>
Total Liabilities	<u>146,375,292</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	3,548,780
Other postemployment benefits	<u>33,708,842</u>
Total Deferred Inflows of Resources	<u>37,257,622</u>

NET POSITION

Net investment in capital assets	<u>89,612,162</u>
Restricted:	
Workers' compensation	1,208,736
Unemployment insurance	1,276,555
Retirement contribution	
Teachers' retirement system	3,421,486
Employees' retirement system	6,080,378
Employee benefit accrued liability	4,607,866
Capital	24,508,503
Debt	16,311
Scholarships	9,341
	<u>41,129,176</u>
Unrestricted (Deficit)	<u>(104,085,511)</u>
Total Net Position	<u>\$ 26,655,827</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	
FUNCTIONS/PROGRAMS				
General support	\$ 13,614,098	\$	\$	\$ (13,614,098)
Instruction	87,171,418	3,368,014	4,193,105	(79,565,669)
Pupil transportation	4,038,972			(4,038,972)
Community services	905,127			(905,127)
Debt service - interest	391,634			(391,634)
Food service program	1,000,810	643,985	360,445	3,620
Total Governmental Activities	<u>\$ 107,122,059</u>	<u>\$ 4,011,999</u>	<u>\$ 4,553,550</u>	<u>\$ (98,511,880)</u>
GENERAL REVENUES				
Real property taxes				62,533,244
Other tax items				7,565,765
Use of money and property				1,974,492
Sale of property and compensation for loss				20,730
Miscellaneous				600,254
State sources				24,551,774
Medicaid reimbursement				69,853
Total General Revenues				<u>97,316,112</u>
Change in Net Position				(1,195,768)
Total Net Position - Beginning of Year				<u>27,851,595</u>
Total Net Position - End of Year				<u>\$ 26,655,827</u>

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

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents								
Unrestricted	\$ 12,464,049	\$ 58,078	\$ 819,922	\$	\$ 1,707,103	\$ 91,446	\$	\$ 15,140,598
Restricted	22,174,001			10	22,296,763		9,341	44,480,115
Receivables								
Accounts receivable	58,876		408					59,284
Taxes receivable	775,181							775,181
Due from other funds	1,104,677			16,311				1,120,988
Due from state and federal	1,064,976	1,109,395	18,190					2,192,561
Due from other governments	1,659,955							1,659,955
Inventory			29,063					29,063
Total Assets	<u>\$ 39,301,715</u>	<u>\$ 1,167,473</u>	<u>\$ 867,583</u>	<u>\$ 16,321</u>	<u>\$ 24,003,866</u>	<u>\$ 91,446</u>	<u>\$ 9,341</u>	<u>\$ 65,457,745</u>
LIABILITIES								
Payables								
Accounts payable	\$ 3,399,036	\$ 111,513	\$ 17,040	\$	\$ 97,721	\$	\$	\$ 3,625,310
Accrued liabilities	332,607	20,902	11,485					364,994
Due to other funds		1,035,058		10	85,920			1,120,988
Due to other governments					585	166		751
Due to teachers' retirement system	4,616,584							4,616,584
Due to employees' retirement system	343,694							343,694
Compensated absences payable	151,296							151,296
Other liabilities	34,700							34,700
Unearned credits								
Collections in advance	130,333		130,237					260,570
Total Liabilities	<u>9,008,250</u>	<u>1,167,473</u>	<u>158,762</u>	<u>10</u>	<u>184,226</u>	<u>166</u>	<u>-</u>	<u>10,518,887</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	407,218							407,218
FUND BALANCES								
Nonspendable: Inventory			29,063					29,063
Restricted:								
Workers' compensation	1,208,736							1,208,736
Unemployment insurance	1,276,555							1,276,555
Retirement contribution								
Teachers' retirement system	3,421,486							3,421,486
Employees' retirement system	6,080,378							6,080,378
Employee benefit accrued liability	4,607,866							4,607,866
Capital	5,562,679				18,945,824			24,508,503
Debt				16,311				16,311
Scholarships							9,341	9,341
Unspent debt proceeds					3,350,939			3,350,939
Assigned:								
Appropriated fund balance	3,237,756							3,237,756
Unappropriated fund balance	327,535		679,758		1,522,877	91,280		2,621,450
Unassigned: Fund balance	4,163,256							4,163,256
Total Fund Balances	<u>29,886,247</u>	<u>-</u>	<u>708,821</u>	<u>16,311</u>	<u>23,819,640</u>	<u>91,280</u>	<u>9,341</u>	<u>54,531,640</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,301,715</u>	<u>\$ 1,167,473</u>	<u>\$ 867,583</u>	<u>\$ 16,321</u>	<u>\$ 24,003,866</u>	<u>\$ 91,446</u>	<u>\$ 9,341</u>	<u>\$ 65,457,745</u>

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

Total Governmental Fund Balances \$ 54,531,640

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

The costs of building, acquiring, or the right-to-use capital and 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 includes those capital assets among the assets of the District as a whole, and their original cost are expensed annually over their useful lives.

Original cost or present value of capital and intangible assets	\$ 149,232,197	
Less: Accumulated depreciation/amortization	<u>(51,377,124)</u>	97,855,073

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

Deferred outflows of resources	21,683,069	
Net pension liability - teachers' retirement system	(2,599,510)	
Net pension liability - employees' retirement system	(3,598,243)	
Deferred inflows of resources	<u>(3,548,780)</u>	11,936,536

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

Deferred outflows of resources	26,413,842	
Total other postemployment benefits liability	(113,331,471)	
Deferred inflows of resources	<u>(33,708,842)</u>	(120,626,471)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

407,218

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

Accrued interest on debt	(17,602)	
Energy performance contract payable	(11,004,051)	
Lease liabilities	(476,695)	
Subscription liabilities	(15,383)	
Compensated absences payable	(4,607,866)	
Workers' compensation payable	<u>(1,326,572)</u>	(17,448,169)

Total Net Position		<u>\$ 26,655,827</u>
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PLAINEDGE UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
REVENUES								
Real property taxes	\$ 62,533,244	\$	\$	\$	\$	\$	\$	\$ 62,533,244
Other tax items	7,565,765							7,565,765
Charges for services	3,055,237							3,055,237
Use of money and property	1,958,181			16,311		1,644		1,976,136
Sale of property and compensation for loss	20,730							20,730
Miscellaneous	600,254					311,133	500	911,887
State sources	24,551,774	1,290,435	11,496		188,126			26,041,831
Medicaid reimbursement	69,853							69,853
Federal sources	56,673	2,438,279	348,949					2,843,901
Sales			643,985					643,985
Total Revenues	100,411,711	3,728,714	1,004,430	16,311	188,126	312,777	500	105,662,569
EXPENDITURES								
General support	10,804,068							10,804,068
Instruction	55,574,183	4,113,120				315,121	1,800	60,004,224
Pupil transportation	3,257,174	1,471						3,258,645
Community services	612,788							612,788
Employee benefits	20,722,145							20,722,145
Debt service								
Principal	122,349			955,662				1,078,011
Interest	6,472			371,220				377,692
Food service program			1,009,704					1,009,704
Capital outlay					11,296,788			11,296,788
Total Expenditures	91,099,179	4,114,591	1,009,704	1,326,882	11,296,788	315,121	1,800	109,164,065
Excess (Deficiency) of Revenues Over Expenditures	9,312,532	(385,877)	(5,274)	(1,310,571)	(11,108,662)	(2,344)	(1,300)	(3,501,496)
OTHER FINANCING SOURCES AND USES								
Proceeds of debt					8,765,205			8,765,205
Operating transfers in		385,877	5,696	1,326,882	5,780,000			7,498,455
Operating transfers (out)	(7,498,455)							(7,498,455)
Total Other Sources (Uses)	(7,498,455)	385,877	5,696	1,326,882	14,545,205	-	-	8,765,205
Net Change in Fund Balances	1,814,077	-	422	16,311	3,436,543	(2,344)	(1,300)	5,263,709
Fund Balances - Beginning of Year	28,072,170	-	708,399		20,383,097	93,624	10,641	49,267,931
Fund Balances - End of Year	<u>\$ 29,886,247</u>	<u>\$ -</u>	<u>\$ 708,821</u>	<u>\$ 16,311</u>	<u>\$ 23,819,640</u>	<u>\$ 91,280</u>	<u>\$ 9,341</u>	<u>\$ 54,531,640</u>

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

Net Change in Fund Balances \$ 5,263,709

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 revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).

\$ 263,722

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.

Decrease in early retirement annuities payable	10,000
Decrease in workers' compensation payable	632,647

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in compensated absences liability	(190,709)	715,660
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Capital Related Differences

Capital outlays to purchase, build, or the right-to-use 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/amortization expense in the Statement of Activities. This is the amount by which, capital outlays and other additions exceeded depreciation/amortization expense in the period.

Capital outlays and other additions	13,839,304
Depreciation/amortization expense	(5,532,261)
	8,307,043

Long-Term Debt Transaction Differences

Proceeds from the issuance of debt are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities

(8,765,205)

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Energy performance contract payable	955,662
Lease liabilities	107,364
Subscription liabilities	14,985

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

(13,942)

(7,701,136)

Pension and Other Postemployment Benefits Differences

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

Teachers' retirement system	(3,372,232)
Employees' retirement system	(571,195)
Other postemployment benefits	(3,837,617)
	(7,781,044)

Change in Net Position of Governmental Activities	\$ (1,195,768)
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PLAINEDGE UNION FREE SCHOOL DISTRICT
Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2024

	Custodial
ASSETS	
Cash and cash equivalents	\$ -
NET POSITION	
Restricted for individuals, organizations, and other governments	\$ -

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

	Custodial
ADDITIONS	
Real property taxes collected for the Library	\$ 2,785,330
DEDUCTIONS	
Disbursements of real property taxes to the Library	2,785,330
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Nassau (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Extraclassroom Activities Fund - is used to account for the funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extraclassroom activities fund are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements of the extraclassroom activities fund can be found at the District's Business Office.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Scholarships Fund – is used to account for funds collected that benefit annual third-party awards and scholarships for students.

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Real Property Taxes and Other Tax Items

Calendar

Real property taxes are levied annually by the Board of Education in August and become a lien on October 1st and April 1st. Taxes are collected by the Town of Oyster Bay (Town) and remitted to the District from December to June.

Enforcement

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

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

The District's PILOT revenues include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments.

G. Restricted Resources

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

F. Interfund Transactions

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide statements, eliminations have been made for all interfund receivables and payables among the funds.

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

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

G. Use of 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 contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, OPEB, workers' compensation liabilities, potential contingent liabilities, and useful lives of capital assets.

H. Cash and Cash Equivalents

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

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

I. Receivables

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

J. Inventory

Inventory of food in the school food service fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. This 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 inventory is consumed.

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

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

K. Capital Assets

The district-wide financial statements report both capital and intangible assets, such as right-to-use leased and subscription-based information technology assets. Capital assets are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation. Intangible assets are reported based on the estimated lease and subscription liabilities calculated in accordance with GASB standards.

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land improvements	\$ 25,000	50 years
Buildings and improvements	50,000	15-25 years
Furniture and equipment	2,000	5-20 years
Leased building	0	10 years
Leased equipment and fixtures	0	5 years
Subscription assets	2,000	3-5 years

L. Deferred Outflows of Resources

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

M. Short-Term Debt

The District may issue 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 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.

No short-term debt was issued during the year ended June 30, 2024.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

N. Collections in Advance

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

O. Employee Benefits – Compensated Absences

Compensated absences consist of unpaid accumulated sick leave and vacation leave.

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

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination, or death.

Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's §403(b) plan.

The liability for compensated absences has been calculated using the vesting 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, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

P. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

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

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

In prior years, the District offered early retirement incentives to eligible employees. The incentive provided for annual annuity payments in the amount of \$10,000 for ten years starting eight years after retirement. The District records the expenditure as the payments become due. For 2024, the expenditure was \$10,000. No further payments are due.

Q. Long-Term Debt

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

R. Lease Liabilities

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

S. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes emergency connectivity funding commitments. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the District-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position and represents the change in the total OPEB liability not included in OPEB expense.

T. Equity Classifications

District-Wide Statements

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

Net investment in capital assets – Consists of net capital and intangible assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvements of, and the right to use those assets.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Fund Statements

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

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

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

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The TRS sub-fund is separately administered, but must comply with all the existing provisions of GML. These reserves are accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits primarily based on unused and unpaid sick leave, personal leave, holiday leave, or vacation leave due 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. The reserve is accounted for in the general fund.

Capital Reserve

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

Restricted for Debt

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

Restricted for Scholarships

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

Restricted – 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. These restricted funds are accounted for in the capital projects fund.

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Balance Classification

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

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

2. FUTURE ACCOUNTING STANDARDS

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

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

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

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

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

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

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

Transfer to capital projects fund for school improvements funded by capital reserve fund II and IV as approved by voters on May 21, 2024	\$ 2,730,000
Transfer to capital projects fund for school improvements funded by capital reserve fund III as approved by voters on May 21, 2024	2,300,000
Instructional technology funded by grant	407,219
Instructional expenditures funded by gifts and donations	<u>28,977</u>
	<u>\$ 5,466,196</u>

Budgets are adopted annually on a basis consistent with GAAP.

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

B. Encumbrances

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

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

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

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

6. PARTICIPATION IN BOCES

During the year ended June 30, 2024, the District was billed \$5,158,445 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,768,226. Financial statements for the BOCES are available from the BOCES administrative offices at Nassau BOCES Administrative Center, 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

7. DUE FROM STATE AND FEDERAL

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

General Fund	
New York State general aid	\$ 64,778
New York State excess cost aid	592,979
ECF funding commitment	407,219
	<u>1,064,976</u>
Special Aid Fund	
Federal and state grants	1,109,395
School Food Service Fund	
Federal and state food service program reimbursements	18,190
	<u>\$ 2,192,561</u>

District management expects these amounts to be fully collectible.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. DUE FROM OTHER GOVERNMENTS

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

General Fund		
BOCES aid	\$	829,882
Other districts - charges for services		<u>830,073</u>
	\$	<u><u>1,659,955</u></u>

District management expects these amounts to be fully collectible.

9. CAPITAL ASSETS

A. Changes

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

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 819,000	\$	\$	\$ 819,000
Construction in progress	<u>6,276,376</u>	<u>11,376,690</u>	<u>(2,403,353)</u>	<u>15,249,713</u>
Total capital assets not being depreciated	<u>7,095,376</u>	<u>11,376,690</u>	<u>(2,403,353)</u>	<u>16,068,713</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	107,935,593	2,173,974		110,109,567
Furniture and equipment	19,909,972	2,691,993	(503,964)	22,098,001
Leased buildings	488,243			488,243
Leased equipment and fixtures	421,513			421,513
Subscription assets	<u>46,160</u>			<u>46,160</u>
Total capital assets being depreciated/amortized	<u>128,801,481</u>	<u>4,865,967</u>	<u>(503,964)</u>	<u>133,163,484</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	35,748,187	3,346,845		39,095,032
Furniture and equipment	10,265,888	2,058,197	(503,964)	11,820,121
Leased buildings	97,648	48,824		146,472
Leased equipment and fixtures	232,488	63,008		295,496
Subscription assets	<u>4,616</u>	<u>15,387</u>		<u>20,003</u>
Total accumulated depreciation/amortization	<u>46,348,827</u>	<u>5,532,261</u>	<u>(503,964)</u>	<u>51,377,124</u>
Total capital assets being depreciated/amortized, net	<u>82,452,654</u>	<u>(666,294)</u>	<u>-</u>	<u>81,786,360</u>
Capital assets, net	<u><u>\$ 89,548,030</u></u>	<u><u>\$ 10,710,396</u></u>	<u><u>\$ (2,403,353)</u></u>	<u><u>\$ 97,855,073</u></u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Depreciation/amortization expense was charged to governmental functions, as follows:

General support	\$ 468,183
Instruction	4,764,841
Pupil transportation	252,200
Community services	<u>47,037</u>
 Total depreciation/amortization expense	 <u><u>\$ 5,532,261</u></u>

B. Lease Assets

The District has entered into various lease arrangements that are subject to GASB Statement No. 87, *Leases*. The terms of these leases vary between five and ten years with interest rates of 1.059%. These leases are included in leased buildings, and leased equipment and fixtures as indicated in the previous table. The District has not provided any residual value guarantees related to these leased capital assets.

C. Subscription Assets

The District has entered into a subscription-based information technology arrangement that is subject to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The terms of this arrangement is three years with a discount rate of 2.656%. This arrangement is included in subscription assets as shown in the previous table. There are no residual value guarantees in the arrangement provisions. The District is not aware of any impairments for subscription assets.

D. Impairment Losses

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

10. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 1,104,677	\$	\$	\$ 7,498,455
Special Aid Fund		1,035,058	385,877	
School Food Service Fund			5,696	
Debt Service Fund	16,311	10	1,326,882	
Capital Projects Fund		85,920	5,780,000	
	<u>\$ 1,120,988</u>	<u>\$ 1,120,988</u>	<u>\$ 7,498,455</u>	<u>\$ 7,498,455</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The District typically transfers from the general fund to the special aid fund to fund the District's required share of the July/August program for students with disabilities and the state supported Section 4201 schools. The District transfers to the school food service fund for the uncollectible meal sales balance. The District transfers from the general fund to the debt service fund to pay for its long-term debt service obligations. Transfers from the general fund to the capital projects fund in the amount of \$5,030,000 were in accordance with Propositions 2 and 3 approved by the voters of the District on May 21, 2024, in addition to the current year budgeted transfer of \$750,000.

11. LONG-TERM LIABILITIES

A. Changes

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Energy performance contract payable	\$ 3,194,508	\$ 8,765,205	\$ (955,662)	\$ 11,004,051	\$ 912,243
Lease liabilities	584,059		(107,364)	476,695	109,521
Subscription liabilities	30,368		(14,985)	15,383	15,383
	<u>3,808,935</u>	<u>8,765,205</u>	<u>(1,078,011)</u>	<u>11,496,129</u>	<u>1,037,147</u>
Other long-term liabilities:					
Early retirement annuities	10,000		(10,000)	-	
Compensated absences payable	4,417,157	190,709		4,607,866	220,000
Workers' compensation liabilities	1,959,219		(632,647)	1,326,572	100,000
Total OPEB liability	<u>112,630,825</u>	<u>700,646</u>	<u></u>	<u>113,331,471</u>	<u>2,829,698</u>
	<u>\$ 122,826,136</u>	<u>\$ 9,656,560</u>	<u>\$ (1,720,658)</u>	<u>\$ 130,762,038</u>	<u>\$ 4,186,845</u>

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

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

For total OPEB liability, see Note 14 "Postemployment Healthcare Benefits" for additional information.

B. Energy Performance Contract Payable

Energy performance contract payable is composed of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
District Improvements	July 2014	December 2029	2.75%	\$ 2,739,191
District Improvements	August 2023	June 2038	4.20%	<u>8,264,860</u>
				<u>\$ 11,004,051</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The following is a summary of debt service requirements for energy performance contract payable:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 912,243	\$ 414,640	\$ 1,326,883
2026	944,056	382,826	1,326,882
2027	977,029	349,854	1,326,883
2028	1,011,205	315,678	1,326,883
2029	1,046,629	280,253	1,326,882
2030-2034	3,243,334	960,820	4,204,154
2035-2038	2,869,555	277,745	3,147,300
Total	<u>\$ 11,004,051</u>	<u>\$ 2,981,816</u>	<u>\$ 13,985,867</u>

The terms of the most recent leasing arrangement provides that in the event of default, defined as payments not made within 15 business days of the specified due date or not maintaining the specified level of insurance, the lessor shall have the right to declare all rental payments through the term of the agreement immediately due and payable. Remedial steps, with or without terminating the agreement, would include the retaking of possession of the equipment upon giving lessee written notice. In that event, the lessee will be responsible for the difference between, any net proceeds realized by lessor from the succeeding transaction, sale or subleasing or leasing of the equipment, and all additional costs incurred in all transactions plus the lessor's outstanding payments through the original term or renewal term of the agreement.

C. Lease Liabilities

Lease liabilities are comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Mail Machine	April 2018	June 2026	1.059%	\$ 4,130
Extreme Networks	July 2021	June 2026	1.059%	119,678
Bus Garage	July 2021	June 2031	1.059%	352,887
				<u>\$ 476,695</u>

The following is a summary of debt service requirements for lease liabilities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 109,521	\$ 4,518	\$ 114,039
2026	111,720	3,347	115,067
2027	50,015	2,463	52,478
2028	50,547	1,931	52,478
2029	51,085	1,393	52,478
2030-2031	103,807	1,149	104,956
Total	<u>\$ 476,695</u>	<u>\$ 14,801</u>	<u>\$ 491,496</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

There were no variable payments or other payments made for leases included above. There were no additional lease commitments entered into by the District after June 30, 2024.

D. Subscription Liabilities

Subscription liabilities are comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Zonar GPS System	March 2023	March 2025	2.656%	<u>\$ 15,383</u>

The following is a summary of debt service requirements for subscription liabilities:

Year Ending June 30,	Principal	Interest	Total
2025	<u>\$ 15,383</u>	<u>\$ 409</u>	<u>\$ 15,792</u>

There were no subscription-based commitments entered into by the District after June 30, 2024.

E. Interest Expense

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

Interest paid	\$ 377,692
Less interest accrued in the prior year	(3,660)
Plus interest accrued in the current year	<u>17,602</u>
Total interest expense on long-term debt	<u>\$ 391,634</u>

12. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers’ Retirement System

The TRS is administered by the New York State Teachers’ Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Employees' Retirement System

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

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.29% of covered payroll for the TRS' fiscal year ended June 30, 2023. The District's average contribution rate was 12.44% of covered payroll for the ERS' fiscal year ended March 31, 2024.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2024 was \$4,196,297 for TRS at the contribution rate of 9.76% and \$1,007,919 for ERS at an average contribution rate of 12.66%.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Asset/(Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related 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 June 30, 2023 for TRS and March 31, 2024 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2023	March 31, 2024
District's proportionate share of the net pension liability	\$ (2,599,510)	\$ (3,598,243)
District's portion of the Plan's net pension liability	0.227312%	0.0244379%
Change in proportion since the prior measurement date	(0.004827)	(0.0001117)

For the year ended June 30, 2024, the District recognized a pension expense of \$7,568,529 for TRS and \$1,579,114 for ERS. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 6,303,121	\$ 1,158,991	\$ 15,578	\$ 98,115
Changes of assumptions	5,596,668	1,360,415	1,219,763	
Net difference between projected and actual earnings on pension plan investment	1,328,818			1,757,722
Changes in proportion and differences between the District's contributions and proportionate share of contributions	770,624	624,441	181,620	275,982
District contributions subsequent to the measurement date	4,196,297	343,694		
Total	<u>\$ 18,195,528</u>	<u>\$ 3,487,541</u>	<u>\$ 1,416,961</u>	<u>\$ 2,131,819</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	TRS	ERS
2025	\$ 1,260,220	\$ (519,177)
2026	(1,214,385)	794,568
2027	10,534,649	1,095,524
2028	878,591	(358,887)
2029	707,042	
Thereafter	416,153	
	\$ 12,582,270	\$ 1,012,028

Actuarial Assumptions

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

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

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

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Discount Rate

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

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

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

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease	Current Assumption	1% Increase
TRS	5.95 %	6.95 %	7.95 %
District's proportionate share of the net pension asset/(liability)	<u>\$ (39,591,859)</u>	<u>\$ (2,599,510)</u>	<u>\$ 28,512,655</u>
	1% Decrease	Current Assumption	1% Increase
ERS	4.90 %	5.90 %	6.90 %
District's proportionate share of the net pension asset/(liability)	<u>\$ (11,313,242)</u>	<u>\$ (3,598,243)</u>	<u>\$ 2,845,383</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

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

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the system in September, October, and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024, represent employer and employee contributions for the fiscal year ended June 30, 2024, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2024 amounted to \$4,196,297 of employer contributions and \$420,287 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$343,694 of employer contributions. Employee contributions are remitted monthly.

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

13. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a §403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. For the year ended June 30, 2024, employer non-elective contributions were \$387,119 and employees' elective contributions were \$2,731,404.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this plan. The amount deferred by eligible employees for the year ended June 30, 2024 totaled \$245,345.

14. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	356
Inactive employees entitled to but not yet receiving benefits	-
Active employees	441
	797

B. Total OPEB Liability

The District's total OPEB liability of \$113,331,471 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 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, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.40%
Discount rate	3.93%
Healthcare cost trend rates	6.40% decreasing to an ultimate rate of 3.80% by 2073
Retirees' share of benefit-related costs	up to 50.00% of projected health insurance premiums for retirees

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

Mortality rates were based on Pub-2010 Mortality Table with generational projection of future improvements per the MP-2021 Ultimate Scale.

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 112,630,825</u>
Changes for the year	
Service cost	4,354,333
Interest on total OPEB liability	4,218,779
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(5,042,768)
Benefit payments	<u>(2,829,698)</u>
	<u>700,646</u>
Balance at June 30, 2024	<u>\$ 113,331,471</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

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

OPEB	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	<u>\$ (132,901,825)</u>	<u>\$ (113,331,471)</u>	<u>\$ (97,640,637)</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.40%) or 1 percentage point higher (7.40%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	5.40%	6.40%	7.40%
	decreasing to	decreasing to	decreasing to
OPEB	2.80%	3.80%	4.80%
Total OPEB liability	<u>\$ (93,828,059)</u>	<u>\$ (113,331,471)</u>	<u>\$ (138,676,835)</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$6,667,315. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 5,914,022	\$ 12,040,888
Changes of assumptions or other inputs	20,499,820	21,667,954
Total	\$ 26,413,842	\$ 33,708,842

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

Year Ending June 30,	Amount
2025	\$ (1,905,797)
2026	(1,536,714)
2027	(3,137,842)
2028	(2,786,255)
2029	1,598,548
Thereafter	473,060
	<u>\$ (7,295,000)</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. RISK MANAGEMENT

A. General Information

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

B. Risk Retention

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that were incurred but not reported (IBNR) as of year-end June 30, 2024. The liabilities are undiscounted.

	2023	2024
Unpaid claims at beginning of year	\$ 2,171,164	\$ 1,959,219
Incurred claims and claim adjustment expenses	61,600	(233,552)
Claims payments	(273,545)	(399,095)
Unpaid claims at year end	\$ 1,959,219	\$ 1,326,572

At June 30, 2024, the District had \$1,208,736 of funds in the workers' compensation reserve.

C. 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 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.

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 for the year ending June 30, 2025:

Workers' compensation	\$	200,000
Retirement system contribution - TRS		500,000
Retirement system contribution - ERS		500,000
Employee benefit accrued liability		300,000
	\$	1,500,000

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

17. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$3,237,756 has been appropriated to reduce taxes for the year ending June 30, 2025.

18. RESTRICTED FOR CAPITAL RESERVE

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

	II	III	IV	
	May 2015	May 2018	May 2019	
Date Created				
Number of Years to Fund	10	15	15	
Maximum Funding	<u>\$ 25,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 25,000,000</u>	<u>Total</u>
General Fund				
Funding Provided	\$ 25,000,000	\$ 11,967,409	\$ 18,942,885	\$ 55,910,294
Interest Earnings	54,526	202,231	151,650	408,407
Transfer to Capital Fund	<u>(25,054,526)</u>	<u>(9,446,086)</u>	<u>(16,255,410)</u>	<u>(50,756,022)</u>
Total General Fund	<u>-</u>	<u>2,723,554</u>	<u>2,839,125</u>	<u>5,562,679</u>
Capital Projects Fund				
Transfer from General Fund	25,054,526	9,446,086	16,255,410	50,756,022
Use of Reserve	<u>(25,054,526)</u>	<u>(4,143,709)</u>	<u>(2,611,963)</u>	<u>(31,810,198)</u>
Total Capital Projects Fund	<u>-</u>	<u>5,302,377</u>	<u>13,643,447</u>	<u>18,945,824</u>
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 8,025,931</u>	<u>\$ 16,482,572</u>	<u>\$ 24,508,503</u>

19. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

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

Restricted:

Capital Projects Fund	
Capital projects	\$ 7,125,123
Unspent debt proceeds	3,350,939
	<u>10,476,062</u>

Assigned: Unappropriated Fund Balance:

General Fund	
General support	184,710
Instruction	140,789
Community services	2,036
	<u>327,535</u>
School Fund Service Fund	
Cafeteria alterations	314,913
Capital Projects Fund	
Capital projects	1,373,535
	<u>\$ 12,492,045</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Grants

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

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes that the outcome of any matters will be covered by underlying insurance and not have a material effect on these financial statements. A claim was settled during the prior year for which \$500,000 has been accrued in these financial statements.

20. SUBSEQUENT EVENTS

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

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

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 62,447,391	\$ 62,447,391	\$ 62,533,244	\$ 85,853
Other tax items	7,579,379	7,579,379	7,565,765	(13,614)
Charges for services	2,305,000	2,305,000	3,055,237	750,237
Use of money and property	420,000	420,000	1,958,181	1,538,181
Sale of property and compensation for loss	18,000	18,000	20,730	2,730
Miscellaneous	341,000	369,977	600,254	230,277
Total Local Sources	73,110,770	73,139,747	75,733,411	2,593,664
State Sources	23,622,499	23,622,499	24,551,774	929,275
Medicaid Reimbursement	40,000	40,000	69,853	29,853
Federal Sources		407,219	56,673	(350,546)
Total Revenues	96,773,269	97,209,465	100,411,711	\$ 3,202,246
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	3,189,644	3,189,644		
Prior Year's Encumbrances	523,716	523,716		
Appropriated Reserves	1,250,000	6,280,000		
Total Appropriated Fund Balance	4,963,360	9,993,360		
Total Revenues and Appropriated Fund Balance	\$ 101,736,629	\$ 107,202,825		

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

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 176,237	\$ 178,737	\$ 145,191	\$ 12,546	\$ 21,000
Central administration	371,495	383,413	370,642		12,771
Finance	1,091,999	1,101,199	1,023,918	33,350	43,931
Staff	831,423	823,522	735,884		87,638
Central services	8,721,818	9,027,131	7,523,850	138,814	1,364,467
Special items	1,035,091	1,032,331	1,004,583		27,748
Total General Support	<u>12,228,063</u>	<u>12,546,333</u>	<u>10,804,068</u>	<u>184,710</u>	<u>1,557,555</u>
Instruction					
Administration & improvement	3,812,545	3,817,953	3,620,982	3,261	193,710
Teaching - regular school	30,017,596	30,002,840	28,342,588	81,754	1,578,498
Programs for students with disabilities	15,118,577	15,115,288	13,889,003	24,376	1,201,909
Programs for English language learners	568,861	548,107	530,343		17,764
Occupational education	644,954	644,954	520,812		124,142
Teaching - special schools	401,570	395,520	183,085	3,019	209,416
Instructional media	3,087,324	3,811,080	3,538,414	24,648	248,018
Pupil services	5,190,511	5,229,675	4,948,956	3,731	276,988
Total Instruction	<u>58,841,938</u>	<u>59,565,417</u>	<u>55,574,183</u>	<u>140,789</u>	<u>3,850,445</u>
Pupil Transportation	4,268,109	4,204,637	3,257,174		947,463
Community Services	601,158	623,456	612,788	2,036	8,632
Employee Benefits	23,324,281	22,607,203	20,722,145		1,885,058
Debt Service					
Principal	-	122,349	122,349		-
Interest	125,000	34,972	6,472		28,500
Total Debt Service	<u>125,000</u>	<u>157,321</u>	<u>128,821</u>	<u>-</u>	<u>28,500</u>
Total Expenditures	99,388,549	99,704,367	91,099,179	327,535	8,277,653
OTHER FINANCING USES					
Operating Transfers Out	2,348,080	7,498,458	7,498,455		3
Total Expenditures and Other Financing Uses	<u>\$ 101,736,629</u>	<u>\$ 107,202,825</u>	<u>98,597,634</u>	<u>\$ 327,535</u>	<u>\$ 8,277,656</u>
Net Change in Fund Balance			1,814,077		
Fund Balance - Beginning of Year			<u>28,072,170</u>		
Fund Balance - End of Year			<u>\$ 29,886,247</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.

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

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.227312%	0.232139%	0.240336%	0.233524%	0.231976%	0.236386%	0.245387%	0.245340%	0.244660%	0.240278%
District's proportionate share of the net pension asset/(liability)	\$ (2,599,510)	\$ (4,454,490)	\$ 41,647,945	\$ (6,452,889)	\$ 6,026,756	\$ 4,274,474	\$ 1,865,186	\$ (2,627,696)	\$ 25,412,343	\$ 26,765,449
District's covered payroll	\$ 41,987,930	\$ 41,130,306	\$ 40,915,048	\$ 41,113,593	\$ 38,888,794	\$ 38,504,551	\$ 39,186,603	\$ 37,923,933	\$ 36,779,492	\$ 35,500,210
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.19 %	10.83 %	101.79 %	15.70 %	15.50 %	11.10 %	4.76 %	6.93 %	69.09 %	75.40 %
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0244379%	0.0245496%	0.0246112%	0.0232547%	0.0235340%	0.0231653%	0.0239933%	0.0243598%	0.0253271%	0.0254307%
District's proportionate share of the net pension asset/(liability)	\$ (3,598,243)	\$ (5,264,433)	\$ 2,011,863	\$ (23,156)	\$ (6,231,948)	\$ (1,641,333)	\$ (774,372)	\$ (2,288,899)	\$ (4,065,070)	\$ (859,110)
District's covered payroll	\$ 8,956,218	\$ 8,743,832	\$ 7,748,005	\$ 7,339,688	\$ 7,294,685	\$ 7,109,737	\$ 6,933,250	\$ 7,042,828	\$ 6,968,359	\$ 6,984,136
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	40.18 %	60.21 %	25.97 %	0.32 %	85.43 %	23.09 %	11.17 %	32.50 %	58.34 %	12.30 %
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%

PLAINEDGE UNION FREE SCHOOL DISTRICT
Schedule of District Pension Contributions
 Last Ten Fiscal Years

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,196,297	\$ 4,320,558	\$ 4,030,770	\$ 3,889,204	\$ 3,525,769	\$ 4,129,990	\$ 3,773,446	\$ 4,516,967	\$ 4,985,480	\$ 6,502,819
Contributions in relation to the contractually required contribution	4,196,297	4,320,558	4,030,770	3,889,204	3,525,769	4,129,990	3,773,446	4,516,967	4,985,480	6,502,819
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 42,994,846	\$ 41,987,930	\$ 41,130,306	\$ 40,915,048	\$ 41,113,593	\$ 38,888,794	\$ 38,504,551	\$ 39,186,603	\$ 37,923,933	\$ 36,779,492
Contributions as a percentage of covered payroll	10%	10%	10%	10%	9%	11%	10%	12%	13%	18%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,007,919	\$ 1,001,264	\$ 1,056,082	\$ 1,055,025	\$ 1,047,800	\$ 971,176	\$ 1,039,262	\$ 1,058,025	\$ 1,192,590	\$ 1,293,171
Contributions in relation to the contractually required contribution	1,007,919	1,001,264	1,056,082	1,055,025	1,047,800	971,176	1,039,262	1,058,025	1,192,590	1,293,171
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,958,663	\$ 7,892,074	\$ 7,754,648	\$ 7,398,999	\$ 7,353,777	\$ 7,295,605	\$ 7,124,123	\$ 7,111,963	\$ 6,949,601	\$ 7,023,572
Contributions as a percentage of covered payroll	13%	13%	14%	14%	14%	13%	15%	15%	17%	18%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 4,354,333	\$ 3,463,695	\$ 4,970,979	\$ 4,470,975	\$ 3,888,865	\$ 4,870,299	\$ 3,719,393
Interest on total OPEB liability	4,218,779	3,222,687	2,392,173	2,678,046	3,371,055	3,018,956	2,862,104
Changes in benefit terms	-	-	-	49,681	-	-	-
Differences between expected and actual experience	-	5,293,016	-	(24,869,457)	-	9,292,308	(487,139)
Changes of assumptions or other inputs	(5,042,768)	14,433,866	(23,122,023)	8,877,182	19,275,965	(18,183,850)	-
Benefit payments	(2,829,698)	(2,686,780)	(2,217,232)	(2,055,903)	(2,444,945)	(2,224,212)	(1,812,481)
Net change in total OPEB liability	700,646	23,726,484	(17,976,103)	(10,849,476)	24,090,940	(3,226,499)	4,281,877
Total OPEB liability, beginning	112,630,825	88,904,341	106,880,444	117,729,920	93,638,980	96,865,479	92,583,602
Total OPEB liability, ending	<u>\$ 113,331,471</u>	<u>\$ 112,630,825</u>	<u>\$ 88,904,341</u>	<u>\$ 106,880,444</u>	<u>\$ 117,729,920</u>	<u>\$ 93,638,980</u>	<u>\$ 96,865,479</u>
Covered employee payroll	\$ 44,355,087	\$ 44,355,087	\$ 43,518,567	\$ 43,518,567	\$ 41,405,088	\$ 41,405,088	\$ 42,477,512
Total OPEB liability as a percentage of covered employee payroll	255.51%	253.93%	204.29%	245.60%	284.34%	226.15%	228.04%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	6.4% to 3.8% by 2073	6.4% to 3.8% by 2073	5.3% to 4.1% over 55 years	5.3% to 4.1% over 55 years	6.1% to 4.1% over 57 years	6.1% to 4.1% over 57 years	7.5% to 4.5% by 2023

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Notes to Required Supplementary Information

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 101,212,913
Additions:		
Prior year's encumbrances		<u>523,716</u>
Original Budget		101,736,629
Budget Revisions		<u>5,466,196</u>
Final Budget		<u><u>\$ 107,202,825</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget		<u><u>\$ 104,081,405</u></u>
Maximum allowed (4% of 2024-2025 budget)		<u><u>\$ 4,163,257</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 3,565,291	
Unassigned fund balance	<u>4,163,256</u>	
		\$ 7,728,547
Less:		
Appropriated fund balance	3,237,756	
Encumbrances	<u>327,535</u>	
Total adjustments		<u>3,565,291</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		<u><u>\$ 4,163,256</u></u>
Actual Percentage		4.00%

PLAINEDGE UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2024

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Proceeds of Debt	Methods of Financing			Fund Balance June 30, 2024
	June 30, 2023	June 30, 2024	Prior Years	Current Year	Total			State Aid	Local Sources	Total	
Capital repair 20/21	\$ 500,000	\$ 500,000	\$ 490,703	\$ 9,297	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -
Capital repair 21/22	2,229,071	2,229,071	2,169,773	59,298	2,229,071	-	-	-	2,229,071	2,229,071	-
Capital repair 22/23	3,500,000	3,500,000	1,295,751	1,431,372	2,727,123	772,877	-	-	3,500,000	3,500,000	772,877
Capital repair 23/24		750,000			-	750,000			750,000	750,000	750,000
Smart Schools Bond Act	1,682,684	1,682,684	1,638,054	44,630	1,682,684	-	-	1,682,684		1,682,684	-
Capital reserve projects approved May 2017 From capital reserve I (5/09) and II (5/15)											
Door replacement district-wide	46,505	46,505	46,450	53	46,503	2	-	-	46,505	46,505	2
Capital reserve projects approved May 2018 From capital reserve II (5/15)											
Door replacement DW	73,008	73,008	69,848	2,431	72,279	729	-	-	73,008	73,008	729
Capital reserve projects approved May 2019 From capital reserve II (5/15)											
Door replacement DW	12,950	12,950	-	11,599	11,599	1,351	-	-	12,950	12,950	1,351
Capital reserve security projects approved May 2019 From capital reserve III (5/18)											
High School locks	379,900	379,900	347,606	28,413	376,019	3,881	-	-	379,900	379,900	3,881
Middle School locks	373,760	373,760	261,495	30,559	292,054	81,706	-	-	373,760	373,760	81,706
Eastplain locks	179,999	179,999	121,721	10,055	131,776	48,223	-	-	179,999	179,999	48,223
Schwarting locks	210,000	210,000	177,001	24,287	201,288	8,712	-	-	210,000	210,000	8,712
John West locks	257,340	257,340	222,970	27,759	250,729	6,611	-	-	257,340	257,340	6,611
High School parking gate	92,001	92,001	83,896		83,896	8,105	-	-	92,001	92,001	8,105
High School sign	142,000	142,000	117,423	20,173	137,596	4,404	-	-	142,000	142,000	4,404
Middle School sign	150,000	150,000	97,598		97,598	52,402	-	-	150,000	150,000	52,402
Eastplain sign	150,000	150,000	50,222		50,222	99,778	-	-	150,000	150,000	99,778
Schwarting sign	150,000	150,000	59,109		59,109	90,891	-	-	150,000	150,000	90,891
John West sign	150,000	150,000	88,470		88,470	61,530	-	-	150,000	150,000	61,530
	2,235,000	2,235,000	1,627,511	141,246	1,768,757	466,243	-	-	2,235,000	2,235,000	466,243
Capital reserve projects approved June 2020 From capital reserve II (5/15) and IV (5/19)											
Cafeteria upgrade	3,296,697	3,296,684	3,291,605	5,079	3,296,684	-	-	-	3,296,684	3,296,684	-
Fitness center	5,539,299	5,539,346	3,244,891	1,920,084	5,164,975	374,371	-	-	5,539,346	5,539,346	374,371
Door replacement DW	151	117	-	117	117	-	-	-	117	117	-
	8,836,147	8,836,147	6,536,496	1,925,280	8,461,776	374,371	-	-	8,836,147	8,836,147	374,371

PLAINEDGE UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2024

PROJECT TITLE	Budget June 30, 2023	Budget June 30, 2024	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024	
			Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources		Total
Capital reserve projects approved May 2021											
From capital reserve II (5/15) and IV (5/19)											
High School research center	\$ 2,084,980	\$ 2,084,980	\$ 72,000	\$ 549	\$ 72,549	\$ 2,012,431	\$	\$	\$ 2,084,980	\$ 2,084,980	\$ 2,012,431
Eastplain gym A/C	23,600	23,600	17,618	5,832	23,450	150			23,600	23,600	150
Schwarting gym A/C	331,400	331,400	50,076	211,054	261,130	70,270			331,400	331,400	70,270
West Gym A/C	520,020	520,020	122,961	335,874	458,835	61,185			520,020	520,020	61,185
	<u>2,960,000</u>	<u>2,960,000</u>	<u>262,655</u>	<u>553,309</u>	<u>815,964</u>	<u>2,144,036</u>	<u>-</u>	<u>-</u>	<u>2,960,000</u>	<u>2,960,000</u>	<u>2,144,036</u>
Capital reserve projects approved May 2021											
From capital reserve III (5/18)											
High School Signage	22,808	22,808				22,808			22,808	22,808	22,808
High School Theatre Lighting	192,241	192,190	183,050		183,050	9,140			192,190	192,190	9,140
Security System Upgrades	201,483	201,534	184,172	17,360	201,532	2			201,534	201,534	2
	<u>416,532</u>	<u>416,532</u>	<u>367,222</u>	<u>17,360</u>	<u>384,582</u>	<u>31,950</u>	<u>-</u>	<u>-</u>	<u>416,532</u>	<u>416,532</u>	<u>31,950</u>
Capital reserve projects approved May 2022											
From capital reserve III (5/18)											
HS Generator	1,400,000	1,400,000		47,547	47,547	1,352,453			1,400,000	1,400,000	1,352,453
HS Switch Upgrades	275,000	275,000			-	275,000			275,000	275,000	275,000
HS Field Communications	175,000	175,000			-	175,000			175,000	175,000	175,000
Schwarting Field Communications	55,000	55,000			-	55,000			55,000	55,000	55,000
HS Softball Signage	100,000	100,000			-	100,000			100,000	100,000	100,000
Security Upgrades	195,000	195,000	129,555	65,445	195,000	-			195,000	195,000	-
	<u>2,200,000</u>	<u>2,200,000</u>	<u>129,555</u>	<u>112,992</u>	<u>242,547</u>	<u>1,957,453</u>	<u>-</u>	<u>-</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,957,453</u>
Capital reserve projects approved May 2022											
From capital reserve II (5/15) and IV (5/19)											
Music Wing	3,494,704	3,500,582	90,928		90,928	3,409,654			3,500,582	3,500,582	3,409,654
HS Parking Lot	75,000	64,498			-	64,498			64,498	64,498	64,498
HS Gym	716,337	717,748		4,180	4,180	713,568			717,748	717,748	713,568
HS Mens & Ladies Restrooms	212,000	212,000	10,008	201,091	211,099	901			212,000	212,000	901
HS Boys & Girls Restrooms	364,110	364,110	10,008	254,559	264,567	99,543			364,110	364,110	99,543
Schwarting Boys & Girls Restrooms	359,200	362,413	14,063	348,350	362,413	-			362,413	362,413	-
West Hallway/Café Flooring	147,231	147,231	147,231		147,231	-			147,231	147,231	-
	<u>5,368,582</u>	<u>5,368,582</u>	<u>272,238</u>	<u>808,180</u>	<u>1,080,418</u>	<u>4,288,164</u>	<u>-</u>	<u>-</u>	<u>5,368,582</u>	<u>5,368,582</u>	<u>4,288,164</u>
Capital reserve projects approved May 2023											
From capital reserve II (5/15) and IV (5/19)											
West Turf Upgrade	2,650,000	2,650,000		130,909	130,909	2,519,091			2,650,000	2,650,000	2,519,091
Eastplain Library	350,000	350,000		18,506	18,506	331,494			350,000	350,000	331,494
West Library	350,000	350,000		18,375	18,375	331,625			350,000	350,000	331,625
Schwarting Library	350,000	350,000		18,506	18,506	331,494			350,000	350,000	331,494
MS Library	480,000	480,000		25,909	25,909	454,091			480,000	480,000	454,091
DW Cement/Blacktop	106,640	106,640			-	106,640			106,640	106,640	106,640
Schwarting PreK Flooring	30,360	30,360			-	30,360			30,360	30,360	30,360
	<u>4,317,000</u>	<u>4,317,000</u>	<u>-</u>	<u>212,205</u>	<u>212,205</u>	<u>4,104,795</u>	<u>-</u>	<u>-</u>	<u>4,317,000</u>	<u>4,317,000</u>	<u>4,104,795</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2024

PROJECT TITLE	Budget June 30, 2023	Budget June 30, 2024	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024	
			Prior Years	Current Year	Total		Proceeds of Debt	State Aid	Local Sources		Total
Capital reserve projects approved May 2023											
From capital reserve III (5/18)											
HS Field Security/Sound	\$ 310,000	\$ 310,000	\$ -	\$ 76,808	\$ 76,808	\$ 233,192	\$ -	\$ -	\$ 310,000	\$ 310,000	\$ 233,192
HS Fitness Security/Sound	230,000	230,000	-	226,462	226,462	3,538	-	-	230,000	230,000	3,538
Eastplain Library Electric Upgrades	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
JHW Library Electric Upgrades	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
Schwarting Library Electric Upgrade:	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
MS Library Electric Upgrades	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
MS Field Security System	65,000	65,000	-	-	-	65,000	-	-	65,000	65,000	65,000
JHW Comm Sound	125,000	125,000	-	-	-	125,000	-	-	125,000	125,000	125,000
DW security upgrades	250,000	250,000	-	250,000	250,000	-	-	250,000	250,000	250,000	-
	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>	<u>553,270</u>	<u>553,270</u>	<u>546,730</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>546,730</u>
District-wide 24/25 Cap Reserve Proposition											
Middle School Turf		1,700,000	-	-	-	1,700,000	-	-	1,700,000	1,700,000	1,700,000
HS Tennis Courts		730,000	-	-	-	730,000	-	-	730,000	730,000	730,000
Elementary restroom		150,000	-	-	-	150,000	-	-	150,000	150,000	150,000
Elementary Nurse Room		150,000	-	-	-	150,000	-	-	150,000	150,000	150,000
	<u>-</u>	<u>2,730,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,730,000</u>	<u>-</u>	<u>-</u>	<u>2,730,000</u>	<u>2,730,000</u>	<u>2,730,000</u>
District-wide 24/25 Cap Reserve Proposition											
HS Tennis Lights		275,000	-	-	-	275,000	-	-	275,000	275,000	275,000
HS Auditorium		250,000	-	-	-	250,000	-	-	250,000	250,000	250,000
HS Security		375,000	-	-	-	375,000	-	-	375,000	375,000	375,000
MS Security		325,000	-	-	-	325,000	-	-	325,000	325,000	325,000
CES Security		200,000	-	-	-	200,000	-	-	200,000	200,000	200,000
Eastplain Security		200,000	-	-	-	200,000	-	-	200,000	200,000	200,000
JHW Security		200,000	-	-	-	200,000	-	-	200,000	200,000	200,000
Elementary Library Electric		75,000	-	-	-	75,000	-	-	75,000	75,000	75,000
JHW Field Security		150,000	-	-	-	150,000	-	-	150,000	150,000	150,000
DW Video/Camera		250,000	-	-	-	250,000	-	-	250,000	250,000	250,000
	<u>-</u>	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>
Energy Performance Contract		8,765,205		5,414,266	5,414,266	3,350,939	8,765,205			8,765,205	3,350,939
Totals	<u>\$ 35,477,479</u>	<u>\$ 50,022,684</u>	<u>\$ 14,906,256</u>	<u>\$ 11,296,788</u>	<u>\$ 26,203,044</u>	<u>\$ 23,819,640</u>	<u>\$ 8,765,205</u>	<u>\$ 1,682,684</u>	<u>\$ 39,574,795</u>	<u>\$ 50,022,684</u>	<u>\$ 23,819,640</u>

PLAINEDGE UNION FREE SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2024

Capital assets, net	\$ 97,855,073
Deduct:	
Capital related liabilities - accounts payable	97,721
Short-term portion of energy performance contract payable	912,243
Long-term portion of energy performance contract payable	10,091,808
Less: Unspent debt proceeds	(3,350,939)
Short-term portion of lease liabilities	109,521
Long-term portion of lease liabilities	367,174
Short-term portion of subscription liabilities	15,383
	8,242,911
Net investment in capital assets	\$ 89,612,162



**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
Plainedge Union Free School District
North Massapequa, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of Plainedge Union Free School District (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 2, 2024. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plainedge Union Free School District's internal control over financial reporting (internal control) as a basis for designing the 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 Plainedge Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Plainedge Union Free School 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 Plainedge Union Free School 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.

Cullen & Danowski, LLP

October 2, 2024

