



FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2025

**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 aggregate remaining fund information of Plainedge Union Free School District ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *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> |
| Extraclassroom Activities Fund | <i>Qualified</i>  |
| Scholarships Fund              | <i>Unmodified</i> |
| Fiduciary Fund                 | <i>Unmodified</i> |

#### *Qualified Opinion on Extraclassroom 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 extraclassroom activities fund of Plainedge Union Free School District, as of June 30, 2025, 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 on Governmental Activities, General Fund, Special Aid Fund, School Food Service Fund, Debt Service Fund, Capital Projects Fund, Scholarships Fund, and Fiduciary Fund*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, special aid fund, school food service fund, debt service fund, capital projects fund, scholarships fund, and fiduciary fund of Plainedge Union Free School District, as of June 30, 2025, 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.

#### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 101, *Compensated Absences*, as of June 30, 2025. Our opinion is not modified with respect to this new accounting principle.

#### ***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 58 through 62, 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 63 through 67 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 September 23, 2025, 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*

Port Jefferson Station, New York  
September 23, 2025

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

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The Plainedge Union Free School District's ("the 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, 2025 in comparison with the year ended June 30, 2024, 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 2025, are as follows:

- The District's total net position, as reflected in the district-wide financial statements, increased by \$453,468. This was due to an excess of revenues over expenses using the economic resources measurement focus and the accrual basis of accounting.
- For the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this statement resulted in an increase in compensated absences payable and a decrease in total net position of \$956,128.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$105,956,101. Of this amount, \$6,503,420 was offset by program charges for services and operating grants and contributions. General revenues of \$99,906,149 amount to 93.90% of total revenues, and were adequate to cover the balance of program expenses.
- The District's general fund fund balance, as reflected in the fund financial statements was \$31,329,576 at June 30, 2025. This balance represents a \$1,443,329 increase (4.83%) 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 \$912,608, due to the allocation of interest earnings and funding transfers to the reserves, offset by the use of reserves.
  - Assigned fund balance increased \$374,230, as the District increased the amount appropriated for the 2025-2026 year and the assignment for encumbrances.
  - Unassigned fund balance increased by \$156,491 to \$4,319,747.
- The District's 2025 property tax levy of \$70,035,559 was 1.95% over the 2024 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 \$13,059,280 and has earned interest of \$269,312 through June 30, 2025. To date, the voters approved to expend \$11,146,086 from the reserve for capital projects. The reserve balance in the general fund is \$2,182,506.

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

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- 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 \$22,442,885 and has earned interest of \$221,577 through June 30, 2025. To date, the voters approved to expend \$18,830,410 from the reserve for capital projects. The reserve balance in the general fund is \$3,834,052.

## **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 (RSI), 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)

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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.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the RSI to demonstrate compliance with the budget.

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

Fiduciary Fund

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.

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

**A. Net Position**

The District's total net position increased by \$453,468 between fiscal year 2024 and 2025. Due to a change in accounting principle, a decrease of \$956,128 is reflected in the ending net position. The impact of the change in accounting principle was not required to be restated in the MD&A. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position, follows:

|                                       | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>Increase<br/>(Decrease)</u> | <u>Percentage<br/>Change</u> |
|---------------------------------------|----------------------|----------------------|--------------------------------|------------------------------|
| <b>Assets</b>                         |                      |                      |                                |                              |
| Current and Other Assets              | \$ 58,772,143        | \$ 64,336,757        | \$ (5,564,614)                 | (8.65)%                      |
| Capital Assets, Net                   | 105,946,474          | 97,855,073           | 8,091,401                      | 8.27 %                       |
| Net Pension Asset -                   |                      |                      |                                |                              |
| Proportionate Share                   | <u>6,734,205</u>     | <u>-</u>             | <u>6,734,205</u>               | N/A                          |
| Total Assets                          | <u>171,452,822</u>   | <u>162,191,830</u>   | <u>9,260,992</u>               | 5.71 %                       |
| <b>Deferred Outflows of Resources</b> | <u>43,844,172</u>    | <u>48,096,911</u>    | <u>(4,252,739)</u>             | (8.84)%                      |
| <b>Liabilities</b>                    |                      |                      |                                |                              |
| Current and Other Liabilities         | 10,320,635           | 9,415,501            | 905,134                        | 9.61 %                       |
| Long-Term Liabilities                 | 17,510,800           | 17,430,567           | 80,233                         | 0.46 %                       |
| Total OPEB Liability                  | 105,730,102          | 113,331,471          | (7,601,369)                    | (6.71)%                      |
| Net Pension Liabilities -             |                      |                      |                                |                              |
| Proportionate Share                   | <u>3,906,880</u>     | <u>6,197,753</u>     | <u>(2,290,873)</u>             | (36.96)%                     |
| Total Liabilities                     | <u>137,468,417</u>   | <u>146,375,292</u>   | <u>(8,906,875)</u>             | (6.08)%                      |
| <b>Deferred Inflows of Resources</b>  | <u>51,675,410</u>    | <u>37,257,622</u>    | <u>14,417,788</u>              | 38.70 %                      |
| <b>Net Position</b>                   |                      |                      |                                |                              |
| Net Investment in Capital Assets      | 93,591,695           | 89,612,162           | 3,979,533                      | 4.44 %                       |
| Restricted                            | 45,072,167           | 41,129,176           | 3,942,991                      | 9.59 %                       |
| Unrestricted (Deficit)                | <u>(112,510,695)</u> | <u>(104,085,511)</u> | <u>(8,425,184)</u>             | 8.09 %                       |
| Total Net Position                    | <u>\$ 26,153,167</u> | <u>\$ 26,655,827</u> | <u>\$ (502,660)</u>            | (1.89)%                      |

The decrease in current and other assets is primarily related to a decrease in cash.

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

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The increase in capital assets, net is due to capital assets additions in excess of depreciation/amortization expense. The "Capital Assets" Note provides additional information.

Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate share switched from a liability to an asset. This change was driven by strong market performance. The "Pension Plans – New York State" Note 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 mainly due to increases in retainage payable and amounts due to teachers' retirement system.

The decrease in long-term liabilities is primarily the result of the repayment of the current maturity of the energy performance contract payable, net of new subscription indebtedness. In addition, the long-term liabilities reflect a \$956,128 increase in the compensated absences liability as of July 1, 2024, as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Total OPEB liability decreased based on the actuarial valuation of the plan. The "Postemployment Healthcare Benefits" Note provides additional information.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's (ERS) net pension liability at the measurement date. The net change in the net pension liability – proportionate share is the result of an increase in the proportionate share for the ERS, which was due to the net result of several factors, including increases in benefits earned by active employees, cost-of-living adjustments, and an increase in the number of retirees, resulting in larger benefit payments, offset by the switch in the TRS net pension liability – proportionate share to an asset. The "Pension Plans – New York State" Note 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 interest earnings and funding transfers into the reserves. In addition, the amount of the net pension asset has also been restricted in the district-wide statement of net position.

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. The unrestricted (deficit) amount also reflects an increase of \$956,128 as of July 1, 2024, as a result of the change in the compensated absences liability due to the implementation of GASB Statement No. 101.

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

**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, 2025 and 2024, is as follows:

|                                                                   | <u>June 30, 2025</u> | <u>June 30, 2024</u>  | <u>Increase<br/>(Decrease)</u> | <u>Percentage<br/>Change</u> |
|-------------------------------------------------------------------|----------------------|-----------------------|--------------------------------|------------------------------|
| <b>Revenues</b>                                                   |                      |                       |                                |                              |
| Program Revenues                                                  |                      |                       |                                |                              |
| Charges for Services                                              | \$ 3,300,618         | \$ 3,699,222          | \$ (398,604)                   | (10.78)%                     |
| Operating Grants & Contributions                                  | 3,202,802            | 4,553,550             | (1,350,748)                    | (29.66)%                     |
| Capital Grants                                                    | -                    | 44,630                | (44,630)                       | (100.00)%                    |
| General Revenues                                                  |                      |                       |                                |                              |
| Property Taxes & STAR                                             | 70,126,266           | 68,781,840            | 1,344,426                      | 1.95 %                       |
| State Sources                                                     | 25,703,012           | 24,551,774            | 1,151,238                      | 4.69 %                       |
| Other                                                             | 4,076,871            | 4,295,275             | (218,404)                      | (5.08)%                      |
| Total Revenues                                                    | <u>106,409,569</u>   | <u>105,926,291</u>    | <u>483,278</u>                 | 0.46 %                       |
| <b>Expenses</b>                                                   |                      |                       |                                |                              |
| General Support                                                   | 13,521,710           | 13,614,098            | (92,388)                       | (0.68)%                      |
| Instruction                                                       | 85,783,987           | 87,171,418            | (1,387,431)                    | (1.59)%                      |
| Pupil Transportation                                              | 4,258,558            | 4,038,972             | 219,586                        | 5.44 %                       |
| Community Services                                                | 858,593              | 905,127               | (46,534)                       | (5.14)%                      |
| Debt Service - Interest                                           | 419,055              | 391,634               | 27,421                         | 7.00 %                       |
| Food Service Program                                              | 1,114,198            | 1,000,810             | 113,388                        | 11.33 %                      |
| Total Expenses                                                    | <u>105,956,101</u>   | <u>107,122,059</u>    | <u>(1,165,958)</u>             | (1.09)%                      |
| Change in Net Position                                            | <u>453,468</u>       | <u>\$ (1,195,768)</u> | <u>\$ 1,649,236</u>            | 137.92 %                     |
| Total Net Position - Beginning<br>of Year, as Previously Reported | 26,655,827           |                       |                                |                              |
| Change in Accounting Principle                                    | <u>(956,128)</u>     |                       |                                |                              |
| Total Net Position - Beginning<br>of Year, as Restated            | <u>25,699,699</u>    |                       |                                |                              |
| Total Net Position - End of Year                                  | <u>\$ 26,153,167</u> |                       |                                |                              |

The District's net position increased by \$453,468 for the year ended June 30, 2025, exclusive of a prior period adjustment of \$(956,128), and decreased by \$1,195,768 for the year ended June 30, 2024.

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

- Property taxes and STAR increased due to a rise in the tax levy in accordance with the 2024-2025 voter-approved budget.
- State sources increased primarily due to higher general aid and lottery aid.
- Operating grants and contributions decreased as a result of funding for COVID-19 related programs ending.

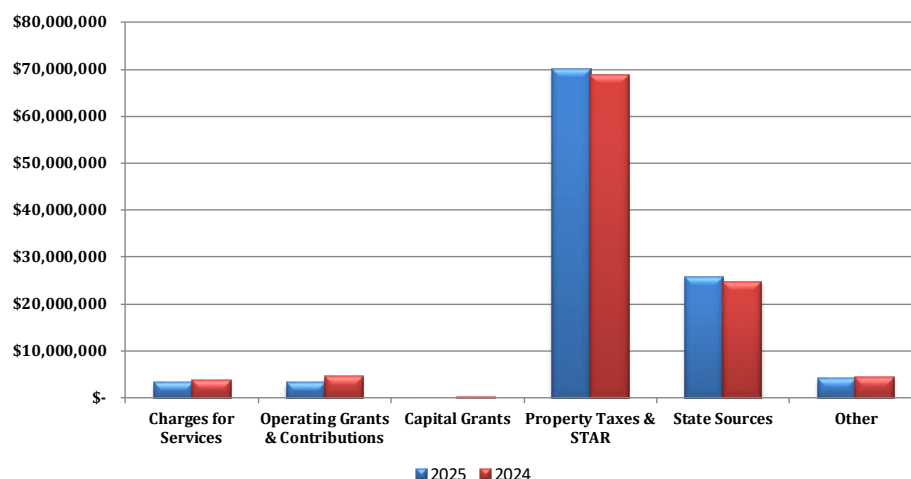
**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

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

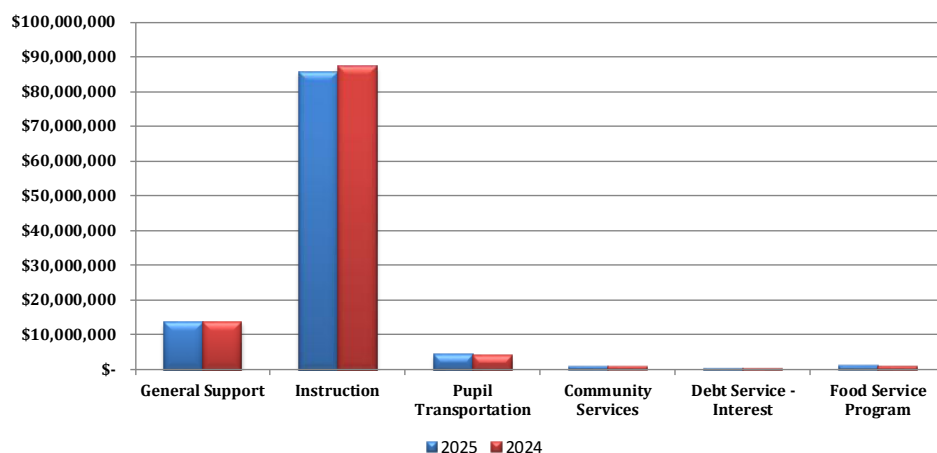
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 65.9% and 64.9% of the total for the years 2025 and 2024, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 80.9% and 81.4% of the total for the years 2025 and 2024, respectively).

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



|      | Charges for Services | Operating Grants & Contributions | Capital Grants | Property Taxes & STAR | State Sources | Other |
|------|----------------------|----------------------------------|----------------|-----------------------|---------------|-------|
| 2025 | 3.1%                 | 3.0%                             | 0.0%           | 65.9%                 | 24.2%         | 3.8%  |
| 2024 | 3.5%                 | 4.3%                             | 0.0%           | 64.9%                 | 23.2%         | 4.1%  |

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



|      | General Support | Instruction | Pupil Transportation | Community Services | Debt Service - Interest | Food Service Program |
|------|-----------------|-------------|----------------------|--------------------|-------------------------|----------------------|
| 2025 | 12.8%           | 80.9%       | 4.0%                 | 0.8%               | 0.4%                    | 1.1%                 |
| 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, 2025, the District's governmental funds reported a combined fund balance of \$48,862,122, which is a decrease of \$5,669,518 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources 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, 2025</u> | <u>June 30, 2024</u> | <u>Increase<br/>(Decrease)</u> | <u>Percentage<br/>Change</u> |
|---------------------------------------|----------------------|----------------------|--------------------------------|------------------------------|
| <b>General Fund</b>                   |                      |                      |                                |                              |
| Restricted:                           |                      |                      |                                |                              |
| Workers' compensation                 | \$ 1,034,865         | \$ 1,208,736         | \$ (173,871)                   | (14.38)%                     |
| Unemployment insurance                | 1,304,150            | 1,276,555            | 27,595                         | 2.16 %                       |
| Retirement contribution               |                      |                      |                                |                              |
| Teachers' retirement system           | 3,795,447            | 3,421,486            | 373,961                        | 10.93 %                      |
| Employees' retirement system          | 6,211,815            | 6,080,378            | 131,437                        | 2.16 %                       |
| Employee benefit accrued liability    | 4,707,473            | 4,607,866            | 99,607                         | 2.16 %                       |
| Capital                               | 6,016,558            | 5,562,679            | 453,879                        | 8.16 %                       |
| Assigned:                             |                      |                      |                                |                              |
| Appropriated fund balance             | 3,473,142            | 3,237,756            | 235,386                        | 7.27 %                       |
| Unappropriated fund balance           | 466,379              | 327,535              | 138,844                        | 42.39 %                      |
| Unassigned: Fund balance              | 4,319,747            | 4,163,256            | 156,491                        | 3.76 %                       |
|                                       | <u>31,329,576</u>    | <u>29,886,247</u>    | <u>1,443,329</u>               | <u>4.83 %</u>                |
| <b>School Food Service Fund</b>       |                      |                      |                                |                              |
| Nonspendable: Inventory               | 16,064               | 29,063               | (12,999)                       | (44.73)%                     |
| Assigned: Unappropriated fund balance | 359,728              | 679,758              | (320,030)                      | (47.08)%                     |
|                                       | <u>375,792</u>       | <u>708,821</u>       | <u>(333,029)</u>               | <u>(46.98)%</u>              |
| <b>Debt Service Fund</b>              |                      |                      |                                |                              |
| Restricted: Debt                      | <u>20,347</u>        | <u>16,311</u>        | <u>4,036</u>                   | <u>24.74 %</u>               |
| <b>Capital Projects Fund</b>          |                      |                      |                                |                              |
| Restricted:                           |                      |                      |                                |                              |
| Capital                               | 15,238,941           | 18,945,824           | (3,706,883)                    | (19.57)%                     |
| Unspent Debt Proceeds                 | 441,145              | 3,350,939            | (2,909,794)                    | (86.84)%                     |
| Assigned: Unappropriated fund balance | 1,349,300            | 1,522,877            | (173,577)                      | (11.40)%                     |
|                                       | <u>17,029,386</u>    | <u>23,819,640</u>    | <u>(6,790,254)</u>             | <u>(28.51)%</u>              |
| <b>Extraclassroom Activities Fund</b> |                      |                      |                                |                              |
| Assigned: Unappropriated fund balance | <u>98,655</u>        | <u>91,280</u>        | <u>7,375</u>                   | <u>8.08 %</u>                |
| <b>Scholarships Fund</b>              |                      |                      |                                |                              |
| Restricted: Scholarships              | <u>8,366</u>         | <u>9,341</u>         | <u>(975)</u>                   | <u>(10.44)%</u>              |
| Total Fund Balance                    | <u>\$ 48,862,122</u> | <u>\$ 54,531,640</u> | <u>\$ (5,669,518)</u>          | <u>(10.40)%</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 \$1,443,329, compared to an increase of \$1,814,077 in 2024.

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

|                            | 2025                  | 2024                  | Increase<br>(Decrease) | Percentage<br>Change |
|----------------------------|-----------------------|-----------------------|------------------------|----------------------|
| Real Property Taxes & STAR | \$ 70,126,266         | \$ 68,781,840         | \$ 1,344,426           | 1.95 %               |
| Other Local Sources        | 6,255,387             | 6,951,571             | (696,184)              | (10.01)%             |
| State Sources              | 25,703,012            | 24,551,774            | 1,151,238              | 4.69 %               |
| Medicaid Reimbursement     | 64,825                | 69,853                | (5,028)                | (7.20)%              |
| Federal Sources            | 434,644               | 56,673                | 377,971                | 666.93 %             |
|                            | <u>\$ 102,584,134</u> | <u>\$ 100,411,711</u> | <u>\$ 2,172,423</u>    | 2.16 %               |

- Property taxes and STAR increased due to a rise in the tax levy in accordance with the 2024-2025 voter-approved budget.
- State sources increased primarily due to higher general aid and lottery aid.
- Other local sources decreased due to a decline in tuition from non-resident students, and a lesser amount of interest earnings.

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

|                      | 2025                  | 2024                 | Increase<br>(Decrease) | Percentage<br>Change |
|----------------------|-----------------------|----------------------|------------------------|----------------------|
| General Support      | \$ 11,047,470         | \$ 10,804,068        | \$ 243,402             | 2.25 %               |
| Instruction          | 57,441,552            | 55,574,183           | 1,867,369              | 3.36 %               |
| Pupil Transportation | 3,257,063             | 3,257,174            | (111)                  | (0.00)%              |
| Community Services   | 588,141               | 612,788              | (24,647)               | (4.02)%              |
| Employee Benefits    | 21,692,644            | 20,722,145           | 970,499                | 4.68 %               |
| Debt Service         | 265,440               | 128,821              | 136,619                | 106.05 %             |
| Other Financing Uses | 6,848,495             | 7,498,455            | (649,960)              | (8.67)%              |
|                      | <u>\$ 101,140,805</u> | <u>\$ 98,597,634</u> | <u>\$ 2,543,171</u>    | 2.58 %               |

- Instruction expenditures increased due to routine salary and step increases.
- Employee benefits increased as a result of higher health insurance rates.
- Other financing uses decreased as a result of the reduced amount of transfers to the capital projects fund.

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

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

|                         | Balance<br>June 30, 2024 | Use of<br>Reserves    | Interest          | Funding             | Balance<br>June 30, 2025 |
|-------------------------|--------------------------|-----------------------|-------------------|---------------------|--------------------------|
| Workers' compensation   | \$ 1,208,736             | \$ (200,000)          | \$ 26,129         | \$                  | \$ 1,034,865             |
| Unemployment insurance  | 1,276,555                |                       | 27,595            |                     | 1,304,150                |
| Retirement contribution |                          |                       |                   |                     |                          |
| TRS                     | 3,421,486                | (500,000)             | 73,961            | 800,000             | 3,795,447                |
| ERS                     | 6,080,378                | (500,000)             | 131,437           | 500,000             | 6,211,815                |
| EBALR                   | 4,607,866                | (300,000)             | 99,607            | 300,000             | 4,707,473                |
| Capital                 |                          |                       |                   |                     |                          |
| Reserve III             | 2,723,554                | (1,700,000)           | 67,081            | 1,091,871           | 2,182,506                |
| Reserve IV              | 2,839,125                | (2,575,000)           | 69,927            | 3,500,000           | 3,834,052                |
|                         | <u>\$ 22,157,700</u>     | <u>\$ (5,775,000)</u> | <u>\$ 495,737</u> | <u>\$ 6,191,871</u> | <u>\$ 23,070,308</u>     |

Additional detail regarding the capital reserve can be found in the "Restricted for Capital Reserve" Note.

**B. School Food Service Fund**

The school food service fund - fund balance net decrease represents the net loss in the program.

**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 capital expenditures in excess of budget transfers plus the 2025-2026 voter-approved propositions for the use of capital reserve funds.

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

|             | Balance<br>June 30, 2024 | Use of<br>Reserves    | Funding             | Balance<br>June 30, 2025 |
|-------------|--------------------------|-----------------------|---------------------|--------------------------|
| Reserve III | \$ 5,302,377             | \$ (1,785,273)        | \$ 1,700,000        | \$ 5,217,104             |
| Reserve IV  | 13,643,447               | (6,196,610)           | 2,575,000           | 10,021,837               |
|             | <u>\$ 18,945,824</u>     | <u>\$ (7,981,883)</u> | <u>\$ 4,275,000</u> | <u>\$ 15,238,941</u>     |

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

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**E. Extraclassroom Activities Fund**

The extraclassroom activities fund – fund balance net increase is attributable to revenues for student clubs and activities exceeding expenditures 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. 2024-2025 Budget**

The District's general fund adopted budget for the year ended June 30, 2025 was \$104,081,405. This amount was increased by encumbrances carried forward from the prior year in the amount of \$327,535 and budget revisions of \$4,302,925 for a total final budget of \$108,711,865.

The final budget amount was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$70,035,559 in estimated property taxes and STAR receipts, and \$24,308,921 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                                  | \$ 4,163,256               |
| Revenues Over Budget                                              | 3,212,560                  |
| Expenditures, Other Financing Uses, and Encumbrances Under Budget | 7,104,681                  |
| Allocation to Reserves                                            | (6,687,608)                |
| Appropriated to Fund the June 30, 2026 Budget                     | <u>(3,473,142)</u>         |
| Closing, Unassigned Fund Balance                                  | <u><u>\$ 4,319,747</u></u> |

**Opening, Unassigned Fund Balance**

The \$4,163,256 shown in the table is the portion of the District's June 30, 2024 fund balance that was retained as unassigned.

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

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Revenues Over Budget

The 2024-2025 final budget for revenues was \$99,371,574. Actual revenues recognized for the year were \$102,584,134. Actual revenues were more than estimated or budgeted revenues by \$3,212,560. This change contributes directly to the change to the general fund unassigned fund balance from June 30, 2024 to June 30, 2025. 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 2024-2025 final budget for expenditures and other financing uses, including prior year encumbrances and current year budget revisions, was \$108,711,865. Actual expenditures and other financing uses, as of June 30, 2025 were \$101,140,805 and outstanding encumbrances were \$466,379. Combined, the expenditures and other financing uses, plus encumbrances for 2024-2025 were \$101,607,184. The final budget variance was \$7,104,681, which contributes directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2024 to June 30, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

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 \$3,473,142 of the available June 30, 2025 unassigned fund balance to partially fund the 2025-2026 approved operating budget. As such, the June 30, 2025 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, 2025 was \$4,319,747. This amount equals 4% of the 2025-2026 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, 2025, 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 outlays and other additions of \$13,858,783 in excess of depreciation/amortization expense of \$5,767,382 recorded for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2025 and 2024, is as follows:

|                               | June 30, 2025         | June 30, 2024        | Increase<br>(Decrease) |
|-------------------------------|-----------------------|----------------------|------------------------|
| Land                          | \$ 819,000            | \$ 819,000           | \$ -                   |
| Construction in progress      | 15,576,633            | 15,249,713           | 326,920                |
| Buildings and improvements    | 77,469,365            | 71,014,535           | 6,454,830              |
| Furniture and equipment       | 11,156,834            | 10,277,880           | 878,954                |
| Leased buildings              | 292,947               | 341,771              | (48,824)               |
| Leased equipment and fixtures | 63,009                | 126,017              | (63,008)               |
| Subscription assets           | 568,686               | 26,157               | 542,529                |
| Capital assets, net           | <u>\$ 105,946,474</u> | <u>\$ 97,855,073</u> | <u>\$ 8,091,401</u>    |

**B. Debt Administration**

At June 30, 2025, the District had combined total debt of \$10,932,110. The decreases in outstanding debt represent principal payments made throughout the year, while the increases represent new issuances. A summary of the outstanding debt at June 30, 2025 and 2024, is as follows:

| Issue/<br>Commencement<br>Date             | Interest<br>Rate | June 30, 2025        | June 30, 2024        | Increase<br>(Decrease) |
|--------------------------------------------|------------------|----------------------|----------------------|------------------------|
| <b>Energy Performance Contract Payable</b> |                  |                      |                      |                        |
| 7/2014                                     | 2.75%            | \$ 2,271,266         | \$ 2,739,191         | \$ (467,925)           |
| 8/2023                                     | 4.20%            | 7,820,543            | 8,264,860            | (444,317)              |
|                                            |                  | <u>\$ 10,091,809</u> | <u>\$ 11,004,051</u> | <u>\$ (912,242)</u>    |
| <b>Lease Liabilities</b>                   |                  |                      |                      |                        |
| 4/2018                                     | 1.059%           | \$ 2,076             | \$ 4,130             | \$ (2,054)             |
| 7/2021                                     | 1.059%           | 60,156               | 119,678              | (59,522)               |
| 7/2021                                     | 1.059%           | 304,942              | 352,887              | (47,945)               |
|                                            |                  | <u>\$ 367,174</u>    | <u>\$ 476,695</u>    | <u>\$ (109,521)</u>    |

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

| Issue/<br>Commencement<br>Date  | Interest<br>Rate | June 30, 2025     | June 30, 2024    | Increase<br>(Decrease) |
|---------------------------------|------------------|-------------------|------------------|------------------------|
| <b>Subscription Liabilities</b> |                  |                   |                  |                        |
| 3/2023                          | 2.656%           | \$                | \$ 15,383        | \$ (15,383)            |
| 3/2025                          | 2.933%           | 3,837             |                  | 3,837                  |
| 4/2025                          | 2.730%           | 97,273            |                  | 97,273                 |
| 9/2024                          | 3.067%           | 21,182            |                  | 21,182                 |
| 6/2025                          | 2.723%           | 8,282             |                  | 8,282                  |
| 6/2025                          | 2.723%           | 240,247           |                  | 240,247                |
| 2/2025                          | 2.837%           | 68,017            |                  | 68,017                 |
| 6/2025                          | 2.723%           | 34,289            |                  | 34,289                 |
|                                 |                  | <u>\$ 473,127</u> | <u>\$ 15,383</u> | <u>\$ 457,744</u>      |

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

**C. Other Long-Term Liabilities**

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and total OPEB liability and net pension liabilities – proportionate share, which are based on actuarial valuations. The compensated absences liability, at June 30, 2025, includes the effect of the implementation of GASB Statement No. 101. The net change in the net pension liabilities – proportionate share reflects the change in the TRS position from a liability to an asset as previously discussed. A summary of the outstanding other long-term liabilities at June 30, 2025 and 2024, is as follows:

|                                               | June 30, 2025         | June 30, 2024         | Increase<br>(Decrease) |
|-----------------------------------------------|-----------------------|-----------------------|------------------------|
| Compensated absences payable                  | \$ 5,555,935          | \$ 4,607,866          | \$ 948,069             |
| Workers' compensation liabilities             | 1,022,755             | 1,326,572             | (303,817)              |
| Total OPEB liability                          | 105,730,102           | 113,331,471           | (7,601,369)            |
| Net pension liabilities - proportionate share | 3,906,880             | 6,197,753             | (2,290,873)            |
|                                               | <u>\$ 116,215,672</u> | <u>\$ 125,463,662</u> | <u>\$ (9,247,990)</u>  |

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

**A. Subsequent Year's Budget**

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 20, 2025, for the year ending June 30, 2026, is \$107,993,676. This is an increase of \$3,912,271 or 3.76% over the previous year's budget.

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

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The District budgeted revenues other than property taxes and STAR at a \$2,701,263 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 \$3,473,142 is a \$235,386 increase over the previous year. Additionally, the District has elected to appropriate \$1,250,000 of reserves towards the next year's budget, which is \$250,000 less than the previous year. A property tax increase of \$1,225,622 (1.75%), 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.

**C. Tax Cap**

New York State law limits the annual increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation plus additional statutory adjustments to the tax levy limit. School districts may override the tax levy limit (tax cap) by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit, however, that budget must be approved by at least 60% of the votes cast. Based on the law, the District's tax cap for 2025-2026 is 2.36%. The District's 2025-2026 property tax increase of 1.75% was less than 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:

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, 2025

**ASSETS**

|                                                                           |               |
|---------------------------------------------------------------------------|---------------|
| Cash and cash equivalents                                                 |               |
| Unrestricted                                                              | \$ 15,356,209 |
| Restricted                                                                | 38,779,107    |
| Receivables                                                               |               |
| Accounts receivable                                                       | 66,945        |
| Taxes receivable                                                          | 936,538       |
| Due from state and federal                                                | 1,862,293     |
| Due from other governments                                                | 1,754,987     |
| Inventory                                                                 | 16,064        |
| Capital assets:                                                           |               |
| Not being depreciated                                                     | 16,395,633    |
| Being depreciated/amortized, net of accumulated depreciation/amortization | 89,550,841    |
| Net pension assets - proportionate share                                  | 6,734,205     |
|                                                                           | <hr/>         |
| Total Assets                                                              | 171,452,822   |

**DEFERRED OUTFLOWS OF RESOURCES**

|                                      |            |
|--------------------------------------|------------|
| Pensions                             | 18,709,117 |
| Other postemployment benefits        | 25,135,055 |
|                                      | <hr/>      |
| Total Deferred Outflows of Resources | 43,844,172 |

**LIABILITIES**

|                                               |             |
|-----------------------------------------------|-------------|
| Payables                                      |             |
| Accounts payable                              | 3,690,861   |
| Accrued liabilities                           | 433,646     |
| Retainage payable                             | 394,326     |
| Due to other governments                      | 156         |
| Due to teachers' retirement system            | 4,957,896   |
| Due to employees' retirement system           | 354,173     |
| Compensated absences payable                  | 228,857     |
| Other liabilities                             | 42,191      |
| Unearned credits                              |             |
| Collections in advance                        | 218,529     |
| Long-term liabilities                         |             |
| Due and payable within one year               |             |
| Energy performance contract payable           | 944,056     |
| Lease liabilities                             | 111,720     |
| Subscription liabilities                      | 226,663     |
| Compensated absences payable                  | 2,178,476   |
| Workers' compensation liabilities             | 170,192     |
| Total other postemployment benefits liability | 2,990,580   |
| Due and payable after one year                |             |
| Energy performance contract payable           | 9,147,753   |
| Lease liabilities                             | 255,454     |
| Subscription liabilities                      | 246,464     |
| Compensated absences payable                  | 3,377,459   |
| Workers' compensation liabilities             | 852,563     |
| Total other postemployment benefits liability | 102,739,522 |
| Net pension liabilities - proportionate share | 3,906,880   |
|                                               | <hr/>       |
| Total Liabilities                             | 137,468,417 |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |            |
|-------------------------------------|------------|
| Pensions                            | 8,710,149  |
| Other postemployment benefits       | 42,965,261 |
|                                     | <hr/>      |
| Total Deferred Inflows of Resources | 51,675,410 |

**NET POSITION**

|                                    |               |
|------------------------------------|---------------|
| Net investment in capital assets   | 93,591,695    |
|                                    | <hr/>         |
| Restricted:                        |               |
| Workers' compensation              | 1,034,865     |
| Unemployment insurance             | 1,304,150     |
| Retirement contribution            |               |
| Teachers' retirement system        | 3,795,447     |
| Employees' retirement system       | 6,211,815     |
| Employee benefit accrued liability | 4,707,473     |
| Capital                            | 21,255,499    |
| Debt                               | 20,347        |
| Scholarships                       | 8,366         |
| Pension                            | 6,734,205     |
|                                    | <hr/>         |
|                                    | 45,072,167    |
|                                    | <hr/>         |
| Unrestricted (Deficit)             | (112,510,695) |
|                                    | <hr/>         |
| Total Net Position                 | \$ 26,153,167 |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Activities**  
For the Year Ended June 30, 2025

|                                                                |                       | Program Revenues     |                                  | Net (Expense)                       |
|----------------------------------------------------------------|-----------------------|----------------------|----------------------------------|-------------------------------------|
|                                                                | Expenses              | Charges for Services | Operating Grants & Contributions | Revenue and Changes in Net Position |
| <b>FUNCTIONS/PROGRAMS</b>                                      |                       |                      |                                  |                                     |
| General support                                                | \$ 13,521,710         | \$                   | \$                               | \$ (13,521,710)                     |
| Instruction                                                    | 85,783,987            | 2,616,829            | 2,828,967                        | (80,338,191)                        |
| Pupil transportation                                           | 4,258,558             |                      |                                  | (4,258,558)                         |
| Community services                                             | 858,593               |                      |                                  | (858,593)                           |
| Debt service - interest                                        | 419,055               |                      |                                  | (419,055)                           |
| Food service program                                           | 1,114,198             | 683,789              | 373,835                          | (56,574)                            |
|                                                                |                       |                      |                                  |                                     |
| Total Governmental Activities                                  | <u>\$ 105,956,101</u> | <u>\$ 3,300,618</u>  | <u>\$ 3,202,802</u>              | <u>(99,452,681)</u>                 |
| <b>GENERAL REVENUES</b>                                        |                       |                      |                                  |                                     |
| Real property taxes                                            |                       |                      |                                  | 65,161,962                          |
| Other tax items                                                |                       |                      |                                  | 6,361,778                           |
| Use of money and property                                      |                       |                      |                                  | 1,659,106                           |
| Sale of property and compensation for loss                     |                       |                      |                                  | 42,795                              |
| Miscellaneous                                                  |                       |                      |                                  | 912,671                             |
| State sources                                                  |                       |                      |                                  | 25,703,012                          |
| Medicaid reimbursement                                         |                       |                      |                                  | 64,825                              |
|                                                                |                       |                      |                                  |                                     |
| Total General Revenues                                         |                       |                      |                                  | <u>99,906,149</u>                   |
|                                                                |                       |                      |                                  |                                     |
| Change in Net Position                                         |                       |                      |                                  | <u>453,468</u>                      |
|                                                                |                       |                      |                                  |                                     |
| Total Net Position - Beginning of Year, as Previously Reported |                       |                      |                                  | 26,655,827                          |
|                                                                |                       |                      |                                  |                                     |
| Restatement - Change in Accounting Principle                   |                       |                      |                                  | <u>(956,128)</u>                    |
|                                                                |                       |                      |                                  |                                     |
| Total Net Position - Beginning of Year, as Restated            |                       |                      |                                  | <u>25,699,699</u>                   |
|                                                                |                       |                      |                                  |                                     |
| Total Net Position - End of Year                               |                       |                      |                                  | <u><u>\$ 26,153,167</u></u>         |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
June 30, 2025

|                                     | General              | Special<br>Aid    | School<br>Food<br>Service | Debt<br>Service  | Capital<br>Projects  | Extracurricular<br>Activities | Scholarships    | Total<br>Governmental<br>Funds |
|-------------------------------------|----------------------|-------------------|---------------------------|------------------|----------------------|-------------------------------|-----------------|--------------------------------|
| <b>ASSETS</b>                       |                      |                   |                           |                  |                      |                               |                 |                                |
| Cash and Cash Equivalents           |                      |                   |                           |                  |                      |                               |                 |                                |
| Unrestricted                        | \$ 11,860,453        | \$ 63,448         | \$ 446,749                | \$               | \$ 2,886,748         | \$ 98,811                     | \$              | \$ 15,356,209                  |
| Restricted                          | 23,090,645           |                   |                           | 10               | 15,680,086           |                               | 8,366           | 38,779,107                     |
| Receivables                         |                      |                   |                           |                  |                      |                               |                 |                                |
| Accounts receivable                 | 66,945               |                   |                           |                  |                      |                               |                 | 66,945                         |
| Taxes receivable                    | 936,538              |                   |                           |                  |                      |                               |                 | 936,538                        |
| Due from other funds                | 847,623              |                   |                           | 20,347           |                      |                               |                 | 867,970                        |
| Due from state and federal          | 1,099,337            | 737,197           | 25,759                    |                  |                      |                               |                 | 1,862,293                      |
| Due from other governments          | 1,754,987            |                   |                           |                  |                      |                               |                 | 1,754,987                      |
| Inventory                           |                      |                   | 16,064                    |                  |                      |                               |                 | 16,064                         |
| Total Assets                        | <u>\$ 39,656,528</u> | <u>\$ 800,645</u> | <u>\$ 488,572</u>         | <u>\$ 20,357</u> | <u>\$ 18,566,834</u> | <u>\$ 98,811</u>              | <u>\$ 8,366</u> | <u>\$ 59,640,113</u>           |
| <b>LIABILITIES</b>                  |                      |                   |                           |                  |                      |                               |                 |                                |
| Payables                            |                      |                   |                           |                  |                      |                               |                 |                                |
| Accounts payable                    | \$ 2,209,806         | \$ 645            | \$ 10,922                 | \$               | \$ 1,469,488         | \$                            | \$              | \$ 3,690,861                   |
| Accrued liabilities                 | 401,196              |                   | 16,162                    |                  |                      |                               |                 | 417,358                        |
| Due to other funds                  |                      | 800,000           |                           | 10               | 67,960               |                               |                 | 867,970                        |
| Due to other governments            |                      |                   |                           |                  |                      | 156                           |                 | 156                            |
| Due to teachers' retirement system  | 4,957,896            |                   |                           |                  |                      |                               |                 | 4,957,896                      |
| Due to employees' retirement system | 354,173              |                   |                           |                  |                      |                               |                 | 354,173                        |
| Compensated absences payable        | 228,857              |                   |                           |                  |                      |                               |                 | 228,857                        |
| Other liabilities                   | 42,191               |                   |                           |                  |                      |                               |                 | 42,191                         |
| Unearned credits                    |                      |                   |                           |                  |                      |                               |                 |                                |
| Collections in advance              | 132,833              |                   | 85,696                    |                  |                      |                               |                 | 218,529                        |
| Total Liabilities                   | <u>8,326,952</u>     | <u>800,645</u>    | <u>112,780</u>            | <u>10</u>        | <u>1,537,448</u>     | <u>156</u>                    | <u>-</u>        | <u>10,777,991</u>              |
| <b>FUND BALANCES</b>                |                      |                   |                           |                  |                      |                               |                 |                                |
| Nonspendable: Inventory             |                      |                   | 16,064                    |                  |                      |                               |                 | 16,064                         |
| Restricted:                         |                      |                   |                           |                  |                      |                               |                 |                                |
| Workers' compensation               | 1,034,865            |                   |                           |                  |                      |                               |                 | 1,034,865                      |
| Unemployment insurance              | 1,304,150            |                   |                           |                  |                      |                               |                 | 1,304,150                      |
| Retirement contribution             |                      |                   |                           |                  |                      |                               |                 |                                |
| Teachers' retirement system         | 3,795,447            |                   |                           |                  |                      |                               |                 | 3,795,447                      |
| Employees' retirement system        | 6,211,815            |                   |                           |                  |                      |                               |                 | 6,211,815                      |
| Employee benefit accrued liability  | 4,707,473            |                   |                           |                  |                      |                               |                 | 4,707,473                      |
| Capital                             | 6,016,558            |                   |                           |                  | 15,238,941           |                               |                 | 21,255,499                     |
| Debt                                |                      |                   |                           | 20,347           |                      |                               |                 | 20,347                         |
| Scholarships                        |                      |                   |                           |                  |                      |                               | 8,366           | 8,366                          |
| Unspent debt proceeds               |                      |                   |                           |                  | 441,145              |                               |                 | 441,145                        |
| Assigned:                           |                      |                   |                           |                  |                      |                               |                 |                                |
| Appropriated fund balance           | 3,473,142            |                   |                           |                  |                      |                               |                 | 3,473,142                      |
| Unappropriated fund balance         | 466,379              |                   | 359,728                   |                  | 1,349,300            | 98,655                        |                 | 2,274,062                      |
| Unassigned: Fund balance            | <u>4,319,747</u>     |                   |                           |                  |                      |                               |                 | <u>4,319,747</u>               |
| Total Fund Balances                 | <u>31,329,576</u>    | <u>-</u>          | <u>375,792</u>            | <u>20,347</u>    | <u>17,029,386</u>    | <u>98,655</u>                 | <u>8,366</u>    | <u>48,862,122</u>              |
| Total Liabilities and Fund Balances | <u>\$ 39,656,528</u> | <u>\$ 800,645</u> | <u>\$ 488,572</u>         | <u>\$ 20,357</u> | <u>\$ 18,566,834</u> | <u>\$ 98,811</u>              | <u>\$ 8,366</u> | <u>\$ 59,640,113</u>           |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the District-wide Statement of Net Position**  
June 30, 2025

|                                  |               |
|----------------------------------|---------------|
| Total Governmental Fund Balances | \$ 48,862,122 |
|----------------------------------|---------------|

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 | \$ 162,260,116      |             |
| Less: Accumulated depreciation/amortization                     | <u>(56,313,642)</u> |             |
|                                                                 |                     | 105,946,474 |

Proportionate share of long-term assets and 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                       | 18,709,117         |            |
| Net pension asset - teachers' retirement system      | 6,734,205          |            |
| Net pension liability - employees' retirement system | (3,906,880)        |            |
| Deferred inflows of resources                        | <u>(8,710,149)</u> |            |
|                                                      |                    | 12,826,293 |

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                | 25,135,055          |               |
| Total other postemployment benefits liability | (105,730,102)       |               |
| Deferred inflows of resources                 | <u>(42,965,261)</u> |               |
|                                               |                     | (123,560,308) |

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            | (16,288)           |              |
| Retainage payable                   | (394,326)          |              |
| Energy performance contract payable | (10,091,809)       |              |
| Lease liabilities                   | (367,174)          |              |
| Subscription liabilities            | (473,127)          |              |
| Compensated absences payable        | (5,555,935)        |              |
| Workers' compensation payable       | <u>(1,022,755)</u> |              |
|                                     |                    | (17,921,414) |

|                    |                             |
|--------------------|-----------------------------|
| Total Net Position | <u><u>\$ 26,153,167</u></u> |
|--------------------|-----------------------------|

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - Governmental Funds**  
For the Year Ended June 30, 2025

|                                                      | General                   | Special<br>Aid   | School<br>Food<br>Service | Debt<br>Service    | Capital<br>Projects  | Extraclassroom<br>Activities | Scholarships    | Total<br>Governmental<br>Funds |
|------------------------------------------------------|---------------------------|------------------|---------------------------|--------------------|----------------------|------------------------------|-----------------|--------------------------------|
| <b>REVENUES</b>                                      |                           |                  |                           |                    |                      |                              |                 |                                |
| Real property taxes                                  | \$ 65,161,962             | \$               | \$                        | \$                 | \$                   | \$                           | \$              | \$ 65,161,962                  |
| Other tax items                                      | 6,361,778                 |                  |                           |                    |                      |                              |                 | 6,361,778                      |
| Charges for services                                 | 2,616,829                 |                  |                           |                    |                      |                              |                 | 2,616,829                      |
| Use of money and property                            | 1,652,785                 |                  |                           | 4,036              |                      | 2,160                        | 125             | 1,659,106                      |
| Sale of property and<br>compensation for loss        | 42,795                    |                  |                           |                    |                      |                              |                 | 42,795                         |
| Miscellaneous                                        | 545,504                   |                  |                           |                    |                      | 367,167                      | 500             | 913,171                        |
| State sources                                        | 25,703,012                | 1,681,263        | 12,589                    |                    |                      |                              |                 | 27,396,864                     |
| Medicaid reimbursement                               | 64,825                    |                  |                           |                    |                      |                              |                 | 64,825                         |
| Federal sources                                      | 434,644                   | 1,119,778        | 361,246                   |                    |                      |                              |                 | 1,915,668                      |
| Sales                                                |                           |                  | 683,789                   |                    |                      |                              |                 | 683,789                        |
| <b>Total Revenues</b>                                | <b>102,584,134</b>        | <b>2,801,041</b> | <b>1,057,624</b>          | <b>4,036</b>       | <b>-</b>             | <b>369,327</b>               | <b>625</b>      | <b>106,816,787</b>             |
| <b>EXPENDITURES</b>                                  |                           |                  |                           |                    |                      |                              |                 |                                |
| General support                                      | 11,047,470                |                  |                           |                    |                      |                              |                 | 11,047,470                     |
| Instruction                                          | 57,441,552                | 3,035,832        |                           |                    |                      | 361,952                      | 1,600           | 60,840,936                     |
| Pupil transportation                                 | 3,257,063                 | 253,068          |                           |                    |                      |                              |                 | 3,510,131                      |
| Community services                                   | 588,141                   |                  |                           |                    |                      |                              |                 | 588,141                        |
| Employee benefits                                    | 21,692,644                |                  |                           |                    |                      |                              |                 | 21,692,644                     |
| Debt service                                         |                           |                  |                           |                    |                      |                              |                 |                                |
| Principal                                            | 259,711                   |                  |                           | 912,242            |                      |                              |                 | 1,171,953                      |
| Interest                                             | 5,729                     |                  |                           | 414,640            |                      |                              |                 | 420,369                        |
| Food service program                                 |                           |                  | 1,399,407                 |                    |                      |                              |                 | 1,399,407                      |
| Capital outlay                                       |                           |                  |                           |                    | 12,423,188           |                              |                 | 12,423,188                     |
| <b>Total Expenditures</b>                            | <b>94,292,310</b>         | <b>3,288,900</b> | <b>1,399,407</b>          | <b>1,326,882</b>   | <b>12,423,188</b>    | <b>361,952</b>               | <b>1,600</b>    | <b>113,094,239</b>             |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>8,291,824</u>          | <u>(487,859)</u> | <u>(341,783)</u>          | <u>(1,322,846)</u> | <u>(12,423,188)</u>  | <u>7,375</u>                 | <u>(975)</u>    | <u>(6,277,452)</u>             |
| <b>OTHER FINANCING SOURCES AND USES</b>              |                           |                  |                           |                    |                      |                              |                 |                                |
| Proceeds of debt                                     |                           |                  |                           |                    | 607,934              |                              |                 | 607,934                        |
| Operating transfers in                               |                           | 487,859          | 8,754                     | 1,326,882          | 5,025,000            |                              |                 | 6,848,495                      |
| Operating transfers (out)                            | <u>(6,848,495)</u>        |                  |                           |                    |                      |                              |                 | <u>(6,848,495)</u>             |
| <b>Total Other Sources (Uses)</b>                    | <b><u>(6,848,495)</u></b> | <b>487,859</b>   | <b>8,754</b>              | <b>1,326,882</b>   | <b>5,632,934</b>     | <b>-</b>                     | <b>-</b>        | <b>607,934</b>                 |
| Net Change in Fund Balances                          | 1,443,329                 | -                | (333,029)                 | 4,036              | (6,790,254)          | 7,375                        | (975)           | (5,669,518)                    |
| Fund Balances - Beginning 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>              |
| Fund Balances - End of Year                          | <u>\$ 31,329,576</u>      | <u>\$ -</u>      | <u>\$ 375,792</u>         | <u>\$ 20,347</u>   | <u>\$ 17,029,386</u> | <u>\$ 98,655</u>             | <u>\$ 8,366</u> | <u>\$ 48,862,122</u>           |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the District-wide Statement of Activities**  
For the Year Ended June 30, 2025

Net Change in Fund Balances \$ (5,669,518)

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

Long-Term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.

\$ (407,218)

Certain expenditures in the governmental funds require 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 workers' compensation payable  | 303,817  |  |
| Decrease in compensated absences liability | 8,059    |  |
|                                            | (95,342) |  |

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 | 13,858,783  |  |
| Depreciation/amortization expense   | (5,767,382) |  |
|                                     | 8,091,401   |  |

Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. Retainage payable increased over the prior year by:

|  |           |           |
|--|-----------|-----------|
|  | (394,326) | 7,697,075 |
|--|-----------|-----------|

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

(607,934)

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 | 912,242 |  |
| Lease liabilities                   | 109,521 |  |
| Subscription liabilities            | 150,190 |  |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2024 to June 30, 2025.

|  |       |         |
|--|-------|---------|
|  | 1,314 | 565,333 |
|--|-------|---------|

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   | 605,675     |             |
| Employees' retirement system  | 284,082     |             |
| Other postemployment benefits | (2,933,837) |             |
|                               |             | (2,044,080) |

|                                                   |  |            |
|---------------------------------------------------|--|------------|
| Change in Net Position of Governmental Activities |  | \$ 453,468 |
|---------------------------------------------------|--|------------|

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
June 30, 2025

|                                                                  | <u>Custodial</u>  |
|------------------------------------------------------------------|-------------------|
| <b>ASSETS</b>                                                    |                   |
| Cash and cash equivalents                                        | \$ -              |
|                                                                  | <u>          </u> |
| <b>NET POSITION</b>                                              |                   |
| Restricted for individuals, organizations, and other governments | \$ -              |
|                                                                  | <u>          </u> |

**Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
For the Year Ended June 30, 2025

|                                                     | <u>Custodial</u>  |
|-----------------------------------------------------|-------------------|
| <b>ADDITIONS</b>                                    |                   |
| Real property taxes collected for the Library       | \$ 2,850,647      |
|                                                     |                   |
| <b>DEDUCTIONS</b>                                   |                   |
| Disbursements of real property taxes to the Library | <u>2,850,647</u>  |
| Change in Net Position                              | -                 |
| Net Position - Beginning of Year                    | <u>          </u> |
| Net Position - End of Year                          | <u>\$ -</u>       |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Plainedge Union Free School District (“the 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 (“the Board”) consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have the 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 shares planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the New York State Education Law (“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 are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district’s share of administrative and capital costs is determined by resident public school district enrollment as defined in 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)

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**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 are generally 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 any.

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 government that provides 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)

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***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 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)

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**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 1<sup>st</sup> and April 1<sup>st</sup>. Taxes are collected by the Town of Oyster Bay ("the 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 payments are not the result of tax abatement agreements as defined by GASB, 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 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.

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

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

**H. Cash and Cash Equivalents**

Cash and cash equivalents consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days 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 recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the fund financial statements. 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)

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**K. Capital Assets and Intangible 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 assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, intangible assets are amortized on a straight-line basis over the term of their underlying agreements, as follows:

|                            | <u>Capitalization<br/>Threshold</u> | <u>Estimated<br/>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           | 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, 2025.

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

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**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 student fees in the general fund, and prepaid lunch and supply chain assistance monies 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.

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability is measured at the pay rate at the reporting date, including salary-related payments, such as social security and Medicare taxes.

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 30<sup>th</sup>.

**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

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

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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 postemployment benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting as set forth by GASB.

**Q. Long-Term Debt**

The District borrows money in order to acquire land or equipment, construct buildings, make improvements, or obtain the right-to-use intangible assets. This enables the cost of these capital and intangible assets to be borne by the present and future taxpayers receiving the benefit of the capital and intangible 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; the intangible right-to-use lease asset is initially measured at 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 liability is reduced by the principal portion of the lease payments made, and the intangible lease asset is amortized on a straight-line basis over the lease term.

**S. Subscription-Based Information Technology Arrangements (SBITA)**

A SBITA is a contract that conveys control of the right-to-use another party's information technology software, alone or in combination with tangible capital assets, for a period of time in an exchange or exchange-like transaction. At the commencement of the subscription term, the District initially measures the subscription liability at the present value of expected subscription payments over the subscription term, discounted using an interest rate the vendor charges or at the District's incremental borrowing rate if the vendor rate cannot be determined. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The SBITA asset is measured as the initial subscription liability plus any direct implementation costs that are eligible for capitalization, minus any incentives received from the vendor. The subscription asset is amortized over the subscription term.

**T. Deferred Inflows of Resources**

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

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

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**U. 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, net of any unexpended proceeds.

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

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

Fund Statements

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

*Nonspendable* – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of 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

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

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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. The reserve is accounted for in the general fund.

*Retirement Contribution Reserve*

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

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

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*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.

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. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used, but not yet paid in cash or settled through noncash means. This liability would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely that not to be used for time off or otherwise paid in cash, or settled through noncash means. This change in accounting principle, to the July 1, 2024 balances of \$956,128, resulted in an increase to the long-term compensated absences liability, and a decrease in total net position.

**3. 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.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Effective for the Year Ending**

June 30, 2026

June 30, 2026

**Statement**

GASB No. 103 – *Financial Reporting Model Improvement*

GASB No. 104 - *Disclosure of Certain Capital Assets*

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.

GASB Statement No. 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

**4. 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.

**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, 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.

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

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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.

**5. 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 funds as approved by voters on May 20, 2025 Proposition 2 | \$ 2,575,000               |
| Transfer to capital projects fund for school improvements funded             |                            |
| by capital reserve funds as approved by voters on May 20, 2025 Proposition 3 | 1,700,000                  |
| Instructional expenditures funded by gifts and donations                     | <u>27,925</u>              |
|                                                                              | <u><u>\$ 4,302,925</u></u> |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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Budgets are adopted annually on a basis consistent with GAAP, and 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.

**C. Unrestricted Net Position Deficit**

At June 30, 2025, the governmental activities reported an unrestricted net position deficit of \$112,510,695. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liabilities on a “pay as you go” basis, has resulted in a negative unrestricted net position. The District remains committed to its employees and retirees by continuing to make all required contributions to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

**6. 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.

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

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**Investment Pool:**

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

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2025, was 46 days and the weighted average life (WAL) was 77 days. These investments are included in cash in the general fund in the amount of \$8,135,910.

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

**7. PARTICIPATION IN BOCES**

During the year ended June 30, 2025, the District was billed \$6,949,264 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,064,762. 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.

**8. TAXES RECEIVABLE**

Taxes receivable at June 30, 2025, consisted of:

|                            |            |
|----------------------------|------------|
| General Fund               |            |
| Nassau County - school tax | \$ 936,538 |

District management expects these amounts to be fully collectible.

**9. DUE FROM STATE AND FEDERAL**

Due from state and federal at June 30, 2025, consisted of:

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| General Fund                                             |                     |
| New York State general aid                               | \$ 330,266          |
| New York State excess cost aid                           | 769,071             |
|                                                          | <u>1,099,337</u>    |
| Special Aid Fund                                         |                     |
| Federal and state grants                                 | 737,197             |
| School Food Service Fund                                 |                     |
| Federal and state food service<br>program reimbursements | <u>25,759</u>       |
|                                                          | <u>\$ 1,862,293</u> |

District management expects these amounts to be fully collectible.

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

**10. DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2025, consisted of:

|                                        |                     |
|----------------------------------------|---------------------|
| General Fund                           |                     |
| BOCES aid                              | \$ 1,100,475        |
| Other districts - charges for services | <u>654,512</u>      |
|                                        | <u>\$ 1,754,987</u> |

District management expects these amounts to be fully collectible.

**11. CAPITAL ASSETS**

**A. Changes**

Capital assets balances and activities for the year ended June 30, 2025, were as follows:

|                                                          | Balance<br>June 30, 2024 | Additions            | Reductions             | Balance<br>June 30, 2025 |
|----------------------------------------------------------|--------------------------|----------------------|------------------------|--------------------------|
| Governmental activities                                  |                          |                      |                        |                          |
| Capital assets not being depreciated:                    |                          |                      |                        |                          |
| Land                                                     | \$ 819,000               | \$                   | \$                     | \$ 819,000               |
| Construction in progress                                 | <u>15,249,713</u>        | <u>12,142,174</u>    | <u>(11,815,254)</u>    | <u>15,576,633</u>        |
| Total capital assets<br>not being depreciated            | <u>16,068,713</u>        | <u>12,142,174</u>    | <u>(11,815,254)</u>    | <u>16,395,633</u>        |
| Capital assets being depreciated/amortized:              |                          |                      |                        |                          |
| Buildings and improvements                               | 110,109,567              | 9,942,482            |                        | 120,052,049              |
| Furniture and equipment                                  | 22,098,001               | 2,981,447            | (830,864)              | 24,248,584               |
| Leased buildings                                         | 488,243                  |                      |                        | 488,243                  |
| Leased equipment and fixtures                            | 421,513                  |                      |                        | 421,513                  |
| Subscription assets                                      | <u>46,160</u>            | <u>607,934</u>       |                        | <u>654,094</u>           |
| Total capital assets<br>being depreciated/amortized      | <u>133,163,484</u>       | <u>13,531,863</u>    | <u>(830,864)</u>       | <u>145,864,483</u>       |
| Less accumulated depreciation/amortization for:          |                          |                      |                        |                          |
| Buildings and improvements                               | 39,095,032               | 3,487,652            |                        | 42,582,684               |
| Furniture and equipment                                  | 11,820,121               | 2,102,493            | (830,864)              | 13,091,750               |
| Leased buildings                                         | 146,472                  | 48,824               |                        | 195,296                  |
| Leased equipment and fixtures                            | 295,496                  | 63,008               |                        | 358,504                  |
| Subscription assets                                      | <u>20,003</u>            | <u>65,405</u>        |                        | <u>85,408</u>            |
| Total accumulated<br>depreciation/amortization           | <u>51,377,124</u>        | <u>5,767,382</u>     | <u>(830,864)</u>       | <u>56,313,642</u>        |
| Total capital assets being<br>depreciated/amortized, net | <u>81,786,360</u>        | <u>7,764,481</u>     | <u>-</u>               | <u>89,550,841</u>        |
| Capital assets, net                                      | <u>\$ 97,855,073</u>     | <u>\$ 19,906,655</u> | <u>\$ (11,815,254)</u> | <u>\$ 105,946,474</u>    |

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

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

|                                         |                            |
|-----------------------------------------|----------------------------|
| General support                         | \$ 476,005                 |
| Instruction                             | 4,908,743                  |
| Pupil transportation                    | 330,783                    |
| Community services                      | <u>51,851</u>              |
| Total depreciation/amortization expense | <u><u>\$ 5,767,382</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 various subscription-based information technology arrangements, which include software subscriptions that are subject to GASB. The terms of these arrangements are one to three years with discount rates ranging from 2.723% to 3.067%. These arrangements are 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 or intangible assets to determine whether impairment of a capital or intangible asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2025, the District has not recorded any such impairment losses.

**12. INTERFUND TRANSACTIONS**

Interfund balances and activities at June 30, 2025, were as follows:

|                          | Interfund         |                   |                     |                     |
|--------------------------|-------------------|-------------------|---------------------|---------------------|
|                          | Receivable        | Payable           | Transfers In        | Transfers Out       |
| General Fund             | \$ 847,623        | \$                | \$                  | \$ 6,848,495        |
| Special Aid Fund         |                   | 800,000           | 487,859             |                     |
| School Food Service Fund |                   |                   | 8,754               |                     |
| Debt Service Fund        | 20,347            | 10                | 1,326,882           |                     |
| Capital Projects Fund    |                   | 67,960            | 5,025,000           |                     |
|                          | <u>\$ 867,970</u> | <u>\$ 867,970</u> | <u>\$ 6,848,495</u> | <u>\$ 6,848,495</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 \$4,275,000 were in accordance with Propositions 2 and 3 approved by the voters of the District on May 20, 2025, in addition to the current year budgeted transfer of \$750,000.

**13. LONG-TERM LIABILITIES**

**A. Changes**

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

|                                     | *Balance<br>June 30, 2024 | Additions         | Reductions            | Balance<br>June 30, 2025 | Amounts<br>Due Within<br>One Year |
|-------------------------------------|---------------------------|-------------------|-----------------------|--------------------------|-----------------------------------|
| Long-term debt:                     |                           |                   |                       |                          |                                   |
| Energy performance contract payable | \$ 11,004,051             | \$                | \$ (912,242)          | \$ 10,091,809            | \$ 944,056                        |
| Lease liabilities                   | 476,695                   |                   | (109,521)             | 367,174                  | 111,720                           |
| Subscription liabilities            | 15,383                    | 607,934           | (150,190)             | 473,127                  | 226,663                           |
|                                     | 11,496,129                | 607,934           | (1,171,953)           | 10,932,110               | 1,282,439                         |
| Other long-term liabilities:        |                           |                   |                       |                          |                                   |
| Compensated absences payable *      | 5,563,994                 |                   | (8,059)               | 5,555,935                | 2,178,476                         |
| Workers' compensation liabilities   | 1,326,572                 | 76,962            | (380,779)             | 1,022,755                | 170,192                           |
| Total OPEB liability                | 113,331,471               |                   | (7,601,369)           | 105,730,102              | 2,990,580                         |
|                                     | <u>\$ 131,718,166</u>     | <u>\$ 684,896</u> | <u>\$ (9,162,160)</u> | <u>\$ 123,240,902</u>    | <u>\$ 6,621,687</u>               |

\* The beginning balance of compensated absences of \$4,607,866, as previously reported, was increased by \$956,128 to present the cumulative effect of GASB Statement No. 101.

Additions and reductions to compensated absences are shown net. The maturity of compensated absences is not determinable.

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

**B. Energy Performance Contract Payable**

Energy performance contract payable is composed of the following:

| Description                | Issue<br>Date | Final<br>Maturity | Interest<br>Rate | Outstanding at<br>June 30, 2025 |
|----------------------------|---------------|-------------------|------------------|---------------------------------|
| Energy efficient solutions | 7/2014        | 12/2029           | 2.75%            | \$ 2,271,266                    |
| Energy efficient solutions | 8/2023        | 6/2038            | 4.20%            | 7,820,543                       |
|                            |               |                   |                  | <u>\$ 10,091,809</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                |
|----------------------|----------------------|---------------------|----------------------|
| 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                 | 813,321              | 243,533             | 1,056,854            |
| 2031-2035            | 3,103,313            | 830,812             | 3,934,125            |
| 2036-2038            | 2,196,256            | 164,220             | 2,360,476            |
| Total                | <u>\$ 10,091,809</u> | <u>\$ 2,567,176</u> | <u>\$ 12,658,985</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 is comprised of the following:

| Description      | Commencement Date | Final Maturity | Interest Rate | Outstanding at June 30, 2025 |
|------------------|-------------------|----------------|---------------|------------------------------|
| Mail Machine     | 4/2018            | 6/2026         | 1.059%        | \$ 2,076                     |
| Extreme Networks | 7/2021            | 6/2026         | 1.059%        | 60,156                       |
| Bus Garage       | 7/2021            | 6/2031         | 1.059%        | 304,942                      |
|                  |                   |                |               | <u>\$ 367,174</u>            |

The following is a summary of principal and interest requirements for lease liabilities:

| Year Ending June 30, | Principal         | Interest         | Total             |
|----------------------|-------------------|------------------|-------------------|
| 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                 | 51,629            | 849              | 52,478            |
| 2031                 | 52,178            | 300              | 52,478            |
| Total                | <u>\$ 367,174</u> | <u>\$ 10,283</u> | <u>\$ 377,457</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, 2025.

**D. Subscription Liabilities**

Subscription liabilities is comprised of the following:

| Description               | Commencement<br>Date | Final<br>Maturity | Interest<br>Rate | Outstanding at<br>June 30, 2025 |
|---------------------------|----------------------|-------------------|------------------|---------------------------------|
| Alert Plug in Powerschool | 3/2025               | 6/2026            | 2.933%           | \$ 3,837                        |
| SHI Cybersecurity Sophos  | 4/2025               | 3/2028            | 2.730%           | 97,273                          |
| SHI Dell Wysemanagement   | 9/2024               | 9/2027            | 3.067%           | 21,182                          |
| SHI E-Fax                 | 6/2025               | 5/2028            | 2.723%           | 8,282                           |
| SHI Go Guardian           | 6/2025               | 5/2028            | 2.723%           | 240,247                         |
| SHI Omnisia VVF           | 2/2025               | 2/2027            | 2.837%           | 68,017                          |
| SHI Paessler              | 6/2025               | 5/2028            | 2.723%           | 34,289                          |
|                           |                      |                   |                  | <u>\$ 473,127</u>               |

The following is a summary of principal and interest requirements for subscription liabilities:

| Year Ending June 30, | Principal         | Interest         | Total             |
|----------------------|-------------------|------------------|-------------------|
| 2026                 | \$ 226,663        | \$ 5,982         | \$ 232,645        |
| 2027                 | 152,001           | 6,748            | 158,749           |
| 2028                 | 94,463            | 2,572            | 97,035            |
| Total                | <u>\$ 473,127</u> | <u>\$ 15,302</u> | <u>\$ 488,429</u> |

There were no subscription-based commitments entered into by the District after June 30, 2025.

**E. Interest Expense**

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

|                                           |                   |
|-------------------------------------------|-------------------|
| Interest paid                             | \$ 420,369        |
| Less interest accrued in the prior year   | (17,602)          |
| Plus interest accrued in the current year | <u>16,288</u>     |
| Total interest expense on long-term debt  | <u>\$ 419,055</u> |

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

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**14. PENSION PLANS – NEW YORK STATE**

**A. General Information**

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

**B. Provisions and Administration**

Teachers' Retirement System

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

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

30<sup>th</sup>, 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 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by the prior February 1<sup>st</sup>. 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 9.76% of covered payroll for the TRS' fiscal year ended June 30, 2024. The District's average contribution rate was 14.29% of covered payroll for the ERS' fiscal year ended March 31, 2025.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2025 was \$4,480,413 for TRS at the contribution rate of 10.11% and \$1,107,341 for ERS at an average contribution rate of 13.13%.

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

At June 30, 2025, 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, 2024 for TRS and March 31, 2025 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.

|                                                                     | TRS           | ERS            |
|---------------------------------------------------------------------|---------------|----------------|
| Measurement date                                                    | June 30, 2024 | March 31, 2025 |
| District's proportionate share of the net pension asset/(liability) | \$ 6,734,205  | \$ (3,906,880) |
| District's portion of the Plan's net pension liability              | 0.225707%     | 0.0227863%     |
| Change in proportion since the prior measurement date               | (0.001605)    | (0.0016516)    |

For the year ended June 30, 2025, the District recognized a pension expense of \$3,874,738 for TRS and \$823,259 for ERS. At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

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

|                                                                                                                     | <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                                                                  | \$ 7,251,502                          | \$ 969,714          | \$                                   | \$ 45,742         |
| Changes of assumptions                                                                                              | 4,028,419                             | 163,847             | 677,618                              |                   |
| Net difference between projected and actual earnings on pension plan investments                                    |                                       | 306,523             | 7,482,275                            |                   |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 576,748                               | 577,778             | 126,662                              | 377,852           |
| District contributions subsequent to the measurement date                                                           | <u>4,480,413</u>                      | <u>354,173</u>      |                                      |                   |
| Total                                                                                                               | <u>\$ 16,337,082</u>                  | <u>\$ 2,372,035</u> | <u>\$ 8,286,555</u>                  | <u>\$ 423,594</u> |

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

| <u>Year Ending June 30,</u> | <u>TRS</u>          | <u>ERS</u>          |
|-----------------------------|---------------------|---------------------|
| 2026                        | \$ (3,333,392)      | \$ 786,779          |
| 2027                        | 8,332,302           | 1,063,686           |
| 2028                        | (1,255,450)         | (294,455)           |
| 2029                        | (1,425,793)         | 38,258              |
| 2030                        | 906,961             |                     |
| Thereafter                  | <u>345,486</u>      |                     |
|                             | <u>\$ 3,570,114</u> | <u>\$ 1,594,268</u> |

**Actuarial Assumptions**

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

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

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|                                                                            | TRS           | ERS            |
|----------------------------------------------------------------------------|---------------|----------------|
| Measurement date                                                           | June 30, 2024 | March 31, 2025 |
| Actuarial valuation date                                                   | June 30, 2023 | April 1, 2024  |
| Inflation                                                                  | 2.40%         | 2.90%          |
| Salary increases                                                           | 1.95-5.18%    | 4.30%          |
| 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, 2024 and June 30, 2023, 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.

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

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

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

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

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, 2024                          |                   | March 31, 2025                         |
| Asset class              |                   |                                        |                   |                                        |
| Domestic equity          | 33.0%             | 6.60%                                  | 25.0%             | 3.54%                                  |
| International equity     | 15.0%             | 7.40%                                  | 14.0%             | 6.57%                                  |
| Global equity            | 4.0%              | 6.90%                                  |                   |                                        |
| Real estate equity       | 11.0%             | 6.30%                                  | 12.0%             | 4.95%                                  |
| Private equity           | 9.0%              | 10.00%                                 | 15.0%             | 7.25%                                  |
| Alternatives investments |                   |                                        | 11.0%             | 5.25-5.55%                             |
| Domestic fixed income    | 16.0%             | 2.60%                                  |                   |                                        |
| High-yield bonds         | 1.0%              | 4.80%                                  |                   |                                        |
| Global bonds             | 2.0%              | 2.50%                                  |                   |                                        |
| Fixed income             |                   |                                        | 22.0%             | 2.00%                                  |
| Private equity           | 2.0%              | 5.90%                                  |                   |                                        |
| Real estate debt         | 6.0%              | 3.90%                                  |                   |                                        |
| Cash equivalents         | 1.0%              | 0.50%                                  |                   |                                        |
| Cash                     |                   |                                        | 1.0%              | 0.25%                                  |
|                          | <u>100.0%</u>     |                                        | <u>100.0%</u>     |                                        |

Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.9% for ERS.

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>\$ (31,105,679)</u> | <u>\$ 6,734,205</u>   | <u>\$ 38,558,562</u> |
| ERS                                                                 | 4.90 %                 | 5.90 %                | 6.90 %               |
| District's proportionate share of the net pension asset/(liability) | <u>\$ (11,307,001)</u> | <u>\$ (3,906,880)</u> | <u>\$ 2,272,227</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, 2024                 | March 31, 2025         |
| Employers' total pension liability                                             | \$ (142,837,827)              | \$ (247,600,239)       |
| Plan fiduciary net position                                                    | <u>145,821,435</u>            | <u>230,454,512</u>     |
| Employers' net pension asset/(liability)                                       | <u>\$ 2,983,608</u>           | <u>\$ (17,145,727)</u> |
| Ratio of plan fiduciary net position to the employers' total pension liability | 102.09%                       | 93.08%                 |

**Payables to the Pension Plan**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025, are paid to the system in September, October, and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025, represent employer and employee contributions for the fiscal year ended June 30, 2025, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2025 amounted to \$4,480,413 of employer contributions and \$477,483 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2025, represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$354,173 of employer contributions. Employee contributions are remitted monthly.

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

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**15. 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, 2025, employer non-elective contributions were \$565,541 and employees' elective contributions were \$2,813,887.

**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 to this plan. The amount deferred by eligible employees for the year ended June 30, 2025 totaled \$215,502.

**16. 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.

*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, 2024, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 338               |
| Inactive employees entitled to but not yet receiving benefits    | -                 |
| Active employees                                                 | <u>486</u>        |
|                                                                  | <u><u>824</u></u> |

**B. Total OPEB Liability**

The District's total OPEB liability of \$105,730,102 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

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

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

|                                          |                                                                  |
|------------------------------------------|------------------------------------------------------------------|
| Inflation                                | 2.40%                                                            |
| Discount rate                            | 5.20%                                                            |
| Healthcare cost trend rates              | 6.60% 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, 2024                           | <u>\$ 113,331,471</u>        |
| Changes for the year                               |                              |
| Service cost                                       | 5,091,265                    |
| Interest on total OPEB liability                   | 4,595,815                    |
| Differences between expected and actual experience | 7,426,025                    |
| Changes in assumptions or other inputs             | (21,723,894)                 |
| Benefit payments                                   | <u>(2,990,580)</u>           |
|                                                    | <u>(7,601,369)</u>           |
| Balance at June 30, 2025                           | <u><u>\$ 105,730,102</u></u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 2025.

*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 (4.20%) or 1 percentage point higher (6.20%) than the current discount rate:

| OPEB                 | 1% Decrease<br>4.20%    | Discount<br>Rate<br>5.20% | 1% Increase<br>6.20%   |
|----------------------|-------------------------|---------------------------|------------------------|
| Total OPEB liability | <u>\$ (122,617,678)</u> | <u>\$ (105,730,102)</u>   | <u>\$ (92,028,993)</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<br>5.60%<br>decreasing to<br>2.80% | Healthcare Cost<br>Trend Rates<br>6.60%<br>decreasing to<br>3.80% | 1% Increase<br>7.60%<br>decreasing to<br>4.80% |
|----------------------|------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|
| <u>OPEB</u>          |                                                |                                                                   |                                                |
| Total OPEB liability | <u>\$ (89,534,819)</u>                         | <u>\$ (105,730,102)</u>                                           | <u>\$ (126,354,783)</u>                        |

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$5,924,417. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

|                                                    | <u>Deferred</u>                  |                                 |
|----------------------------------------------------|----------------------------------|---------------------------------|
|                                                    | <u>Outflows<br/>of Resources</u> | <u>Inflows<br/>of Resources</u> |
| Differences between expected and actual experience | \$ 10,453,563                    | \$ 8,754,444                    |
| Changes of assumptions or other inputs             | <u>14,681,492</u>                | <u>34,210,817</u>               |
| Total                                              | <u>\$ 25,135,055</u>             | <u>\$ 42,965,261</u>            |

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

| <u>Year Ending June 30,</u> | <u>Amount</u>                |
|-----------------------------|------------------------------|
| 2026                        | \$ (3,393,580)               |
| 2027                        | (4,994,708)                  |
| 2028                        | (4,643,121)                  |
| 2029                        | (258,318)                    |
| 2030                        | (1,383,806)                  |
| Thereafter                  | <u>(3,156,673)</u>           |
|                             | <u><u>\$(17,830,206)</u></u> |

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

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**17. 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, 2025. The liabilities are undiscounted.

|                                               | <u>2024</u>                | <u>2025</u>                |
|-----------------------------------------------|----------------------------|----------------------------|
| Unpaid claims at beginning of year            | \$ 1,959,219               | \$ 1,326,572               |
| Incurred claims and claim adjustment expenses | (233,552)                  | 76,962                     |
| Claims payments                               | <u>(399,095)</u>           | <u>(380,779)</u>           |
| Unpaid claims at year end                     | <u><u>\$ 1,326,572</u></u> | <u><u>\$ 1,022,755</u></u> |

At June 30, 2025, the District had \$1,034,865 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.

**18. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES**

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

|                                      |                            |
|--------------------------------------|----------------------------|
| Workers' compensation                | \$ 250,000                 |
| Unemployment                         | 50,000                     |
| Retirement system contribution - ERS | 700,000                    |
| Employee benefit accrued liability   | <u>250,000</u>             |
|                                      | <u><u>\$ 1,250,000</u></u> |

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

**19. ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$3,473,142 has been appropriated to reduce taxes for the year ending June 30, 2026.

**20. RESTRICTED FOR CAPITAL RESERVE**

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

|                              | III           | IV            |               |
|------------------------------|---------------|---------------|---------------|
|                              | May 2018      | May 2019      |               |
| Date Created                 | 15            | 15            |               |
| Number of Years to Fund      | \$ 15,000,000 | \$ 25,000,000 |               |
| Maximum Funding              |               |               | Total         |
| <b>General Fund</b>          |               |               |               |
| Funding Provided             | \$ 13,059,280 | \$ 22,442,885 | \$ 35,502,165 |
| Interest Earnings            | 269,312       | 221,577       | 490,889       |
| Transfer to Capital Fund     | (11,146,086)  | (18,830,410)  | (29,976,496)  |
| Total General Fund           | 2,182,506     | 3,834,052     | 6,016,558     |
| <b>Capital Projects Fund</b> |               |               |               |
| Transfer from General Fund   | 11,146,086    | 18,830,410    | 29,976,496    |
| Use of Reserve               | (5,928,982)   | (8,808,573)   | (14,737,555)  |
| Total Capital Projects Fund  | 5,217,104     | 10,021,837    | 15,238,941    |
| Balance as of June 30, 2025  | \$ 7,399,610  | \$ 13,855,889 | \$ 21,255,499 |

**21. COMMITMENTS AND CONTINGENCIES**

**A. Encumbrances**

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

Restricted:

|                       |                  |
|-----------------------|------------------|
| Capital Projects Fund |                  |
| Capital projects      | \$ 4,682,927     |
|                       | <u>4,682,927</u> |

Assigned: Unappropriated Fund Balance

|                       |                     |
|-----------------------|---------------------|
| General Fund          |                     |
| General support       | 109,870             |
| Instruction           | 206,658             |
| Pupil transportation  | 149,851             |
|                       | <u>466,379</u>      |
| Capital Projects Fund |                     |
| Capital projects      | 1,061,534           |
|                       | <u>\$ 6,210,840</u> |

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

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**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.

**22. 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, 2025

|                                                 | Original<br>Budget | Final<br>Budget | Actual        | Final Budget<br>Variance with<br>Actual |
|-------------------------------------------------|--------------------|-----------------|---------------|-----------------------------------------|
| <b>REVENUES</b>                                 |                    |                 |               |                                         |
| Local Sources                                   |                    |                 |               |                                         |
| Real property taxes                             | \$ 65,071,255      | \$ 65,071,255   | \$ 65,161,962 | \$ 90,707                               |
| Other tax items                                 | 6,281,473          | 6,281,473       | 6,361,778     | 80,305                                  |
| Charges for services                            | 2,415,000          | 2,415,000       | 2,616,829     | 201,829                                 |
| Use of money and property                       | 820,000            | 820,000         | 1,652,785     | 832,785                                 |
| Sale of property and<br>compensation for loss   | 17,000             | 17,000          | 42,795        | 25,795                                  |
| Miscellaneous                                   | 390,000            | 417,925         | 545,504       | 127,579                                 |
| Total Local Sources                             | 74,994,728         | 75,022,653      | 76,381,653    | 1,359,000                               |
| State Sources                                   | 24,308,921         | 24,308,921      | 25,703,012    | 1,394,091                               |
| Medicaid Reimbursement                          | 40,000             | 40,000          | 64,825        | 24,825                                  |
| Federal Sources                                 |                    |                 | 434,644       | 434,644                                 |
| Total Revenues                                  | 99,343,649         | 99,371,574      | 102,584,134   | \$ 3,212,560                            |
| <b>APPROPRIATED FUND BALANCE</b>                |                    |                 |               |                                         |
| Prior Years' Surplus                            | 3,237,756          | 3,237,756       |               |                                         |
| Prior Year's Encumbrances                       | 327,535            | 327,535         |               |                                         |
| Appropriated Reserves                           | 1,500,000          | 5,775,000       |               |                                         |
| Total Appropriated Fund Balance                 | 5,065,291          | 9,340,291       |               |                                         |
| Total Revenues and<br>Appropriated Fund Balance | \$ 104,408,940     | \$ 108,711,865  |               |                                         |

**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, 2025

|                                                | Original<br>Budget    | Final<br>Budget       | Actual               | Year End<br>Encumbrances | Final Budget<br>Variance with<br>Actual<br>& Encumbrances |
|------------------------------------------------|-----------------------|-----------------------|----------------------|--------------------------|-----------------------------------------------------------|
| <b>EXPENDITURES</b>                            |                       |                       |                      |                          |                                                           |
| General Support                                |                       |                       |                      |                          |                                                           |
| Board of education                             | \$ 190,075            | \$ 205,057            | \$ 158,181           | \$                       | \$ 46,876                                                 |
| Central administration                         | 384,532               | 384,532               | 375,455              |                          | 9,077                                                     |
| Finance                                        | 1,105,864             | 1,113,664             | 1,028,209            | 33,845                   | 51,610                                                    |
| Staff                                          | 934,316               | 930,851               | 546,015              |                          | 384,836                                                   |
| Central services                               | 8,564,644             | 8,808,075             | 7,755,391            | 76,025                   | 976,659                                                   |
| Special items                                  | 1,155,783             | 1,227,783             | 1,184,219            |                          | 43,564                                                    |
| Total General Support                          | <u>12,335,214</u>     | <u>12,669,962</u>     | <u>11,047,470</u>    | <u>109,870</u>           | <u>1,512,622</u>                                          |
| Instruction                                    |                       |                       |                      |                          |                                                           |
| Administration and improvement                 | 3,850,057             | 3,828,484             | 3,588,365            | 61,157                   | 178,962                                                   |
| Teaching - regular school                      | 31,216,032            | 31,097,035            | 29,572,842           | 67,370                   | 1,456,823                                                 |
| Programs for students                          |                       |                       |                      |                          |                                                           |
| with disabilities                              | 15,476,845            | 15,710,833            | 14,958,888           | 13,632                   | 738,313                                                   |
| Programs for English language learners         | 557,534               | 658,565               | 658,251              |                          | 314                                                       |
| Occupational education                         | 716,924               | 625,924               | 552,188              | 3,559                    | 70,177                                                    |
| Teaching - special schools                     | 244,873               | 289,719               | 270,788              |                          | 18,931                                                    |
| Instructional media                            | 2,898,730             | 2,916,801             | 2,591,650            | 34,725                   | 290,426                                                   |
| Pupil services                                 | 5,613,175             | 5,760,893             | 5,248,580            | 26,215                   | 486,098                                                   |
| Total Instruction                              | <u>60,574,170</u>     | <u>60,888,254</u>     | <u>57,441,552</u>    | <u>206,658</u>           | <u>3,240,044</u>                                          |
| Pupil Transportation                           | <u>4,274,187</u>      | <u>4,198,946</u>      | <u>3,257,063</u>     | <u>149,851</u>           | <u>792,032</u>                                            |
| Community Services                             | <u>586,123</u>        | <u>658,285</u>        | <u>588,141</u>       |                          | <u>70,144</u>                                             |
| Employee Benefits                              | <u>24,257,263</u>     | <u>23,182,382</u>     | <u>21,692,644</u>    |                          | <u>1,489,738</u>                                          |
| Debt Service                                   |                       |                       |                      |                          |                                                           |
| Principal                                      | -                     | 259,711               | 259,711              |                          | -                                                         |
| Interest                                       | -                     | 5,729                 | 5,729                |                          | -                                                         |
| Total Debt Service                             | <u>-</u>              | <u>265,440</u>        | <u>265,440</u>       | <u>-</u>                 | <u>-</u>                                                  |
| Total Expenditures                             | <u>102,026,957</u>    | <u>101,863,269</u>    | <u>94,292,310</u>    | <u>466,379</u>           | <u>7,104,580</u>                                          |
| <b>OTHER FINANCING USES</b>                    |                       |                       |                      |                          |                                                           |
| Operating Transfers Out                        | <u>2,381,983</u>      | <u>6,848,596</u>      | <u>6,848,495</u>     |                          | <u>101</u>                                                |
| Total Expenditures and<br>Other Financing Uses | <u>\$ 104,408,940</u> | <u>\$ 108,711,865</u> | <u>101,140,805</u>   | <u>\$ 466,379</u>        | <u>\$ 7,104,681</u>                                       |
| Net Change in Fund Balance                     |                       |                       | 1,443,329            |                          |                                                           |
| Fund Balance - Beginning of Year               |                       |                       | <u>29,886,247</u>    |                          |                                                           |
| Fund Balance - End of Year                     |                       |                       | <u>\$ 31,329,576</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***

|                                                                                                               | 2025          | 2024           | 2023           | 2022          | 2021           | 2020          | 2019          | 2018          | 2017           | 2016          |
|---------------------------------------------------------------------------------------------------------------|---------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|
| District's proportion of the net pension asset/(liability)                                                    | 0.225707%     | 0.227312%      | 0.232139%      | 0.240336%     | 0.233524%      | 0.231976%     | 0.236386%     | 0.245387%     | 0.245340%      | 0.244660%     |
| District's proportionate share of the net pension asset/(liability)                                           | \$ 6,734,205  | \$ (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 |
| 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 |
| District's proportionate share of the net pension asset/(liability)<br>as a percentage of its covered payroll | 15.66 %       | 6.19 %         | 10.83 %        | 101.79 %      | 15.70 %        | 15.50 %       | 11.10 %       | 4.76 %        | 6.93 %         | 69.09 %       |
| Plan fiduciary net position as a percentage of the<br>total pension liability                                 | 102.09%       | 99.17%         | 98.57%         | 113.25%       | 97.76%         | 102.17%       | 101.53%       | 100.66%       | 99.01%         | 110.46%       |
| Discount rate                                                                                                 | 6.95%         | 6.95%          | 6.95%          | 6.95%         | 7.10%          | 7.10%         | 7.25%         | 7.25%         | 7.50%          | 8.00%         |

***Employees' Retirement System***

|                                                                                                               | 2025           | 2024           | 2023           | 2022         | 2021         | 2020           | 2019           | 2018         | 2017           | 2016           |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|--------------|----------------|----------------|
| District's proportion of the net pension asset/(liability)                                                    | 0.0227863%     | 0.0244379%     | 0.0245496%     | 0.0246112%   | 0.0232547%   | 0.0235340%     | 0.0231653%     | 0.0239933%   | 0.0243598%     | 0.0253271%     |
| District's proportionate share of the net pension asset/(liability)                                           | \$ (3,906,880) | \$ (2,598,243) | \$ (5,264,433) | \$ 2,011,863 | \$ (23,156)  | \$ (6,231,948) | \$ (1,641,333) | \$ (774,372) | \$ (2,288,899) | \$ (4,065,070) |
| District's covered payroll                                                                                    | \$ 8,939,222   | \$ 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   |
| District's proportionate share of the net pension asset/(liability)<br>as a percentage of its covered payroll | 43.70 %        | 29.01 %        | 60.21 %        | 25.97 %      | 0.32 %       | 85.43 %        | 23.09 %        | 11.17 %      | 32.50 %        | 58.34 %        |
| Plan fiduciary net position as a percentage of the<br>total pension liability                                 | 93.08%         | 93.88%         | 90.78%         | 103.65%      | 99.95%       | 86.39%         | 96.27%         | 98.24%       | 94.70%         | 90.68%         |
| Discount rate                                                                                                 | 5.90%          | 5.90%          | 5.90%          | 5.90%        | 5.90%        | 6.80%          | 7.00%          | 7.00%        | 7.00%          | 7.00%          |

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

| <i><b>Teachers' Retirement System</b></i>                            |               |               |               |               |               |               |               |               |               |               |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                      | 2025          | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
| Contractually required contribution                                  | \$ 4,480,413  | \$ 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  |
| Contributions in relation to the contractually required contribution | 4,480,413     | 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     |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered payroll                                           | \$ 44,316,647 | \$ 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 |
| Contributions as a percentage of covered payroll                     | 10%           | 10%           | 10%           | 10%           | 10%           | 9%            | 11%           | 10%           | 12%           | 13%           |
| <i><b>Employees' Retirement System</b></i>                           |               |               |               |               |               |               |               |               |               |               |
|                                                                      | 2025          | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
| Contractually required contribution                                  | \$ 1,107,341  | \$ 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  |
| Contributions in relation to the contractually required contribution | 1,107,341     | 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     |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered payroll                                           | \$ 8,431,760  | \$ 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  |
| Contributions as a percentage of covered payroll                     | 13%           | 13%           | 13%           | 14%           | 14%           | 14%           | 13%           | 15%           | 15%           | 17%           |

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

|                                                                  | 2025                    | 2024                    | 2023                    | 2022                          | 2021                          | 2020                          | 2019                          | 2018                    |
|------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------|
| Total OPEB liability                                             |                         |                         |                         |                               |                               |                               |                               |                         |
| Service cost                                                     | \$ 5,091,265            | \$ 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                                 | 4,595,815               | 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               | 7,426,025               | -                       | 5,293,016               | -                             | (24,869,457)                  | -                             | 9,292,308                     | (487,139)               |
| Changes of assumptions or other inputs                           | (21,723,894)            | (5,042,768)             | 14,433,866              | (23,122,023)                  | 8,877,182                     | 19,275,965                    | (18,183,850)                  | -                       |
| Benefit payments                                                 | (2,990,580)             | (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                               | (7,601,369)             | 700,646                 | 23,726,484              | (17,976,103)                  | (10,849,476)                  | 24,090,940                    | (3,226,499)                   | 4,281,877               |
| Total OPEB liability, beginning                                  | 113,331,471             | 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>\$ 105,730,102</u>   | <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                                         | \$ 48,044,228           | \$ 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 | 220.07%                 | 255.51%                 | 253.93%                 | 204.29%                       | 245.60%                       | 284.34%                       | 226.15%                       | 228.04%                 |
| Discount rate                                                    | 5.20%                   | 3.93%                   | 3.65%                   | 3.54%                         | 2.16%                         | 2.21%                         | 3.50%                         | 3.00%                   |
| Healthcare trend rates                                           | 6.6% to 3.8%<br>by 2073 | 6.4% to 3.8%<br>by 2073 | 6.4% to 3.8%<br>by 2073 | 5.3% to 4.1%<br>over 55 years | 5.3% to 4.1%<br>over 55 years | 6.1% to 4.1%<br>over 57 years | 6.1% to 4.1%<br>over 57 years | 7.5% to 4.5%<br>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 as set forth by GASB 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, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

|                           |                              |
|---------------------------|------------------------------|
| Adopted Budget            | \$ 104,081,405               |
| Additions:                |                              |
| Prior year's encumbrances | <u>327,535</u>               |
| Original Budget           | 104,408,940                  |
| Budget Revisions          | <u>4,302,925</u>             |
| Final Budget              | <u><u>\$ 108,711,865</u></u> |

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

|                                                                       |                              |
|-----------------------------------------------------------------------|------------------------------|
| 2025-2026 voter-approved expenditure budget                           | <u><u>\$ 107,993,676</u></u> |
| Maximum allowed (4% of 2025-2026 budget)                              | <u><u>\$ 4,319,747</u></u>   |
| General Fund Fund Balance Subject to § 1318 of Real Property Tax Law: |                              |
| Unrestricted fund balance:                                            |                              |
| Assigned fund balance                                                 | \$ 3,939,521                 |
| Unassigned fund balance                                               | <u>4,319,747</u>             |
|                                                                       | \$ 8,259,268                 |
| Less:                                                                 |                              |
| Appropriated fund balance                                             | 3,473,142                    |
| Encumbrances                                                          | <u>466,379</u>               |
| Total adjustments                                                     | <u>3,939,521</u>             |
| General Fund Fund Balance Subject to § 1318 of Real Property Tax Law: | <u><u>\$ 4,319,747</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, 2025

| PROJECT TITLE                                       | Budget<br>June 30, 2024 | Budget<br>June 30, 2025 | Expenditures   |                 |              | Unexpended<br>Balance | Proceeds of<br>Debt | Methods of Financing |               |              | Fund<br>Balance<br>June 30, 2025 |
|-----------------------------------------------------|-------------------------|-------------------------|----------------|-----------------|--------------|-----------------------|---------------------|----------------------|---------------|--------------|----------------------------------|
|                                                     |                         |                         | Prior<br>Years | Current<br>Year | Total        |                       |                     | State Aid            | Local Sources | Total        |                                  |
| Capital repair 22/23                                | \$ 3,500,000            | \$ 3,500,000            | \$ 2,727,123   | \$ 611,474      | \$ 3,338,597 | \$ 161,403            | \$                  | \$                   | \$ 3,500,000  | \$ 3,500,000 | \$ 161,403                       |
| Capital repair 23/24                                | 750,000                 | 750,000                 | -              | 268,878         | 268,878      | 481,122               |                     |                      | 750,000       | 750,000      | 481,122                          |
| Capital repair 24/25                                | 750,000                 | 750,000                 | -              | 43,225          | 43,225       | 706,775               |                     |                      | 750,000       | 750,000      | 706,775                          |
| Smart Schools Bond Act                              | 1,682,684               | 1,682,684               | 1,682,684      |                 | 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                  | 46,503         | 1               | 46,504       | 1                     |                     |                      | 46,505        | 46,505       | 1                                |
| Capital reserve projects approved May 2018          |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| From capital reserve II (5/15)                      |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| Door replacement DW                                 | 73,008                  | 73,008                  | 72,279         | 430             | 72,709       | 299                   |                     |                      | 73,008        | 73,008       | 299                              |
| Capital reserve projects approved May 2019          |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| From capital reserve II (5/15)                      |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| Door replacement DW                                 | 12,950                  | 12,950                  | 11,599         | 796             | 12,395       | 555                   |                     |                      | 12,950        | 12,950       | 555                              |
| Capital reserve security projects approved May 2019 |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| From capital reserve III (5/18)                     |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| High School locks                                   | 379,900                 | 379,900                 | 376,019        |                 | 376,019      | 3,881                 |                     |                      | 379,900       | 379,900      | 3,881                            |
| Middle School locks                                 | 373,760                 | 348,211                 | 292,054        | 3,696           | 295,750      | 52,461                |                     |                      | 348,211       | 348,211      | 52,461                           |
| Eastplain locks                                     | 179,999                 | 179,999                 | 131,776        | 3,696           | 135,472      | 44,527                |                     |                      | 179,999       | 179,999      | 44,527                           |
| Schwarting locks                                    | 210,000                 | 210,000                 | 201,288        | 3,696           | 204,984      | 5,016                 |                     |                      | 210,000       | 210,000      | 5,016                            |
| John West locks                                     | 257,340                 | 257,340                 | 250,729        | 3,696           | 254,425      | 2,915                 |                     |                      | 257,340       | 257,340      | 2,915                            |
| 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                 | 142,495                 | 137,596        |                 | 137,596      | 4,899                 |                     |                      | 142,495       | 142,495      | 4,899                            |
| Middle School sign                                  | 150,000                 | 150,000                 | 97,598         |                 | 97,598       | 52,402                |                     |                      | 150,000       | 150,000      | 52,402                           |
| Eastplain sign                                      | 150,000                 | 104,005                 | 50,222         |                 | 50,222       | 53,783                |                     |                      | 104,005       | 104,005      | 53,783                           |
| Schwarting sign                                     | 150,000                 | 134,275                 | 59,109         |                 | 59,109       | 75,166                |                     |                      | 134,275       | 134,275      | 75,166                           |
| John West sign                                      | 150,000                 | 236,774                 | 88,470         | 107,005         | 195,475      | 41,299                |                     |                      | 236,774       | 236,774      | 41,299                           |
|                                                     | 2,235,000               | 2,235,000               | 1,768,757      | 121,789         | 1,890,546    | 344,454               | -                   | -                    | 2,235,000     | 2,235,000    | 344,454                          |
| Capital reserve projects approved June 2020         |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| From capital reserve II (5/15) and IV (5/19)        |                         |                         |                |                 |              |                       |                     |                      |               |              |                                  |
| Cafeteria upgrade                                   | 3,296,684               | 3,296,684               | 3,296,684      |                 | 3,296,684    | -                     |                     |                      | 3,296,684     | 3,296,684    | -                                |
| Fitness center                                      | 5,539,346               | 5,539,034               | 5,164,975      | 348,316         | 5,513,291    | 25,743                |                     |                      | 5,539,034     | 5,539,034    | 25,743                           |
| Door replacement DW                                 | 117                     | 429                     | 117            | 184             | 301          | 128                   |                     |                      | 429           | 429          | 128                              |
|                                                     | 8,836,147               | 8,836,147               | 8,461,776      | 348,500         | 8,810,276    | 25,871                | -                   | -                    | 8,836,147     | 8,836,147    | 25,871                           |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)**  
For the Year Ended June 30, 2025

| PROJECT TITLE                                | Expenditures            |                         |                |                 |           | Methods of Financing  |                     |           |               |              | Fund                     |
|----------------------------------------------|-------------------------|-------------------------|----------------|-----------------|-----------|-----------------------|---------------------|-----------|---------------|--------------|--------------------------|
|                                              | Budget<br>June 30, 2024 | Budget<br>June 30, 2025 | Prior<br>Years | Current<br>Year | Total     | Unexpended<br>Balance | Proceeds of<br>Debt | State Aid | Local Sources | Total        | Balance<br>June 30, 2025 |
| Capital reserve projects approved May 2021   |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| From capital reserve II (5/15) and IV (5/19) |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| High School research center                  | \$ 2,084,980            | \$ 2,092,899            | \$ 72,549      | \$              | \$ 72,549 | \$ 2,020,350          | \$                  | \$        | \$ 2,092,899  | \$ 2,092,899 | \$ 2,020,350             |
| Eastplain gym A/C                            | 23,600                  | 23,450                  | 23,450         |                 | 23,450    | -                     |                     |           | 23,450        | 23,450       | -                        |
| Schwarting gym A/C                           | 331,400                 | 323,015                 | 261,130        | 61,885          | 323,015   | -                     |                     |           | 323,015       | 323,015      | -                        |
| West Gym A/C                                 | 520,020                 | 520,636                 | 458,835        | 61,801          | 520,636   | -                     |                     |           | 520,636       | 520,636      | -                        |
|                                              | 2,960,000               | 2,960,000               | 815,964        | 123,686         | 939,650   | 2,020,350             | -                   | -         | 2,960,000     | 2,960,000    | 2,020,350                |
| 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                 | 192,190                 | 192,190                 | 183,050        |                 | 183,050   | 9,140                 |                     |           | 192,190       | 192,190      | 9,140                    |
| Security System Upgrades                     | 201,534                 | 201,534                 | 201,532        |                 | 201,532   | 2                     |                     |           | 201,534       | 201,534      | 2                        |
|                                              | 416,532                 | 416,532                 | 384,582        | -               | 384,582   | 31,950                | -                   | -         | 416,532       | 416,532      | 31,950                   |
| Capital reserve projects approved May 2022   |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| From capital reserve III (5/18)              |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| HS Generator                                 | 1,400,000               | 1,675,000               | 47,547         | 25,383          | 72,930    | 1,602,070             |                     |           | 1,675,000     | 1,675,000    | 1,602,070                |
| HS Switch Upgrades                           | 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                 | 195,000        |                 | 195,000   | -                     |                     |           | 195,000       | 195,000      | -                        |
|                                              | 2,200,000               | 2,200,000               | 242,547        | 25,383          | 267,930   | 1,932,070             | -                   | -         | 2,200,000     | 2,200,000    | 1,932,070                |
| Capital reserve projects approved May 2022   |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| From capital reserve II (5/15) and IV (5/19) |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| Music Wing                                   | 3,500,582               | 3,432,491               | 90,928         | 2,282,261       | 2,373,189 | 1,059,302             |                     |           | 3,432,491     | 3,432,491    | 1,059,302                |
| HS Parking Lot                               | 64,498                  | 64,498                  | -              |                 | -         | 64,498                |                     |           | 64,498        | 64,498       | 64,498                   |
| HS Gym                                       | 717,748                 | 785,839                 | 4,180          | 777,402         | 781,582   | 4,257                 |                     |           | 785,839       | 785,839      | 4,257                    |
| HS Mens & Ladies Restrooms                   | 212,000                 | 212,000                 | 211,099        | 900             | 211,999   | 1                     |                     |           | 212,000       | 212,000      | 1                        |
| HS Boys & Girls Restrooms                    | 364,110                 | 364,110                 | 264,567        | 72,513          | 337,080   | 27,030                |                     |           | 364,110       | 364,110      | 27,030                   |
| Schwarting Boys & Girls Restrooms            | 362,413                 | 362,413                 | 362,413        |                 | 362,413   | -                     |                     |           | 362,413       | 362,413      | -                        |
| West Hallway/Café Flooring                   | 147,231                 | 147,231                 | 147,231        |                 | 147,231   | -                     |                     |           | 147,231       | 147,231      | -                        |
|                                              | 5,368,582               | 5,368,582               | 1,080,418      | 3,133,076       | 4,213,494 | 1,155,088             | -                   | -         | 5,368,582     | 5,368,582    | 1,155,088                |
| Capital reserve projects approved May 2023   |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| From capital reserve II (5/15) and IV (5/19) |                         |                         |                |                 |           |                       |                     |           |               |              |                          |
| West Turf Upgrade                            | 2,650,000               | 2,675,322               | 130,909        | 2,525,322       | 2,656,231 | 19,091                |                     |           | 2,675,322     | 2,675,322    | 19,091                   |
| 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                  | 5,038                   | -              |                 | -         | 5,038                 |                     |           | 5,038         | 5,038        | 5,038                    |
|                                              | 4,317,000               | 4,317,000               | 212,205        | 2,525,322       | 2,737,527 | 1,579,473             | -                   | -         | 4,317,000     | 4,317,000    | 1,579,473                |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)**  
For the Year Ended June 30, 2025

| PROJECT TITLE                                 | Budget               | Budget               | Expenditures         |                      |                      | Unexpended           | Methods of Financing |                     |                      |                      | Fund                     |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|--------------------------|
|                                               | June 30, 2024        | June 30, 2025        | Prior<br>Years       | Current<br>Year      | Total                | Balance              | Proceeds of<br>Debt  | State Aid           | Local Sources        | Total                | Balance<br>June 30, 2025 |
| 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              | 300                  | 226,762              | 3,238                |                      |                     | 230,000              | 230,000              | 3,238                    |
| 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              | -                        |
|                                               | <u>1,100,000</u>     | <u>1,100,000</u>     | <u>553,270</u>       | <u>300</u>           | <u>553,570</u>       | <u>546,430</u>       | <u>-</u>             | <u>-</u>            | <u>1,100,000</u>     | <u>1,100,000</u>     | <u>546,430</u>           |
| District-wide 24/25 Cap Reserve Proposition   |                      |                      |                      |                      |                      |                      |                      |                     |                      |                      |                          |
| Middle School Turf                            | 1,700,000            | 1,700,000            |                      | 64,800               | 64,800               | 1,635,200            |                      |                     | 1,700,000            | 1,700,000            | 1,635,200                |
| HS Tennis Courts                              | 730,000              | 730,000              |                      |                      | -                    | 730,000              |                      |                     | 730,000              | 730,000              | 730,000                  |
| Elementary restroom                           | 150,000              | 150,000              |                      |                      | -                    | 150,000              |                      |                     | 150,000              | 150,000              | 150,000                  |
| Elementary Nurse Room                         | 150,000              | 150,000              |                      |                      | -                    | 150,000              |                      |                     | 150,000              | 150,000              | 150,000                  |
|                                               | <u>2,730,000</u>     | <u>2,730,000</u>     | <u>-</u>             | <u>64,800</u>        | <u>64,800</u>        | <u>2,665,200</u>     | <u>-</u>             | <u>-</u>            | <u>2,730,000</u>     | <u>2,730,000</u>     | <u>2,665,200</u>         |
| District-wide 24/25 Cap Reserve Proposition   |                      |                      |                      |                      |                      |                      |                      |                     |                      |                      |                          |
| HS Tennis Lights                              | 275,000              | 275,000              |                      |                      | -                    | 275,000              |                      |                     | 275,000              | 275,000              | 275,000                  |
| HS Auditorium                                 | 250,000              | 107,985              |                      |                      | -                    | 107,985              |                      |                     | 107,985              | 107,985              | 107,985                  |
| HS Security                                   | 375,000              | 248,083              |                      | 248,076              | 248,076              | 7                    |                      |                     | 248,083              | 248,083              | 7                        |
| MS Security                                   | 325,000              | 542,191              |                      | 542,176              | 542,176              | 15                   |                      |                     | 542,191              | 542,191              | 15                       |
| CES Security                                  | 200,000              | 247,924              |                      | 246,164              | 246,164              | 1,760                |                      |                     | 247,924              | 247,924              | 1,760                    |
| Eastplain Security                            | 200,000              | 247,924              |                      | 246,164              | 246,164              | 1,760                |                      |                     | 247,924              | 247,924              | 1,760                    |
| JHW Security                                  | 200,000              | 246,167              |                      | 246,164              | 246,164              | 3                    |                      |                     | 246,167              | 246,167              | 3                        |
| Elementary Library Electric                   | 75,000               | 75,000               |                      |                      | -                    | 75,000               |                      |                     | 75,000               | 75,000               | 75,000                   |
| JHW Field Security                            | 150,000              | 59,726               |                      |                      | -                    | 59,726               |                      |                     | 59,726               | 59,726               | 59,726                   |
| DW Video/Camera                               | 250,000              | 250,000              |                      | 109,056              | 109,056              | 140,944              |                      |                     | 250,000              | 250,000              | 140,944                  |
|                                               | <u>2,300,000</u>     | <u>2,300,000</u>     | <u>-</u>             | <u>1,637,800</u>     | <u>1,637,800</u>     | <u>662,200</u>       | <u>-</u>             | <u>-</u>            | <u>2,300,000</u>     | <u>2,300,000</u>     | <u>662,200</u>           |
| District-wide 25/26 Cap Reserve Proposition 2 |                      |                      |                      |                      |                      |                      |                      |                     |                      |                      |                          |
| JHW Playground                                |                      | 575,000              |                      |                      | -                    | 575,000              |                      |                     | 575,000              | 575,000              | 575,000                  |
| CES Playground                                |                      | 225,000              |                      |                      | -                    | 225,000              |                      |                     | 225,000              | 225,000              | 225,000                  |
| MS Playground                                 |                      | 400,000              |                      |                      | -                    | 400,000              |                      |                     | 400,000              | 400,000              | 400,000                  |
| HS Windows                                    |                      | 500,000              |                      |                      | -                    | 500,000              |                      |                     | 500,000              | 500,000              | 500,000                  |
| HS Locker Room HVAC                           |                      | 275,000              |                      |                      | -                    | 275,000              |                      |                     | 275,000              | 275,000              | 275,000                  |
| HS 2nd Floor Restrooms                        |                      | 500,000              |                      |                      | -                    | 500,000              |                      |                     | 500,000              | 500,000              | 500,000                  |
| MS Chiller Upgrade                            |                      | 100,000              |                      |                      | -                    | 100,000              |                      |                     | 100,000              | 100,000              | 100,000                  |
|                                               | <u>-</u>             | <u>2,575,000</u>     | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>2,575,000</u>     | <u>-</u>             | <u>-</u>            | <u>2,575,000</u>     | <u>2,575,000</u>     | <u>2,575,000</u>         |
| District-wide 25/26 Cap Reserve Proposition 3 |                      |                      |                      |                      |                      |                      |                      |                     |                      |                      |                          |
| HS Security                                   |                      | 375,000              |                      |                      | -                    | 375,000              |                      |                     | 375,000              | 375,000              | 375,000                  |
| MS Security                                   |                      | 400,000              |                      |                      | -                    | 400,000              |                      |                     | 400,000              | 400,000              | 400,000                  |
| CES Security                                  |                      | 175,000              |                      |                      | -                    | 175,000              |                      |                     | 175,000              | 175,000              | 175,000                  |
| JHW Security                                  |                      | 175,000              |                      |                      | -                    | 175,000              |                      |                     | 175,000              | 175,000              | 175,000                  |
| EP Security                                   |                      | 175,000              |                      |                      | -                    | 175,000              |                      |                     | 175,000              | 175,000              | 175,000                  |
| District Wide Security                        |                      | 250,000              |                      |                      | -                    | 250,000              |                      |                     | 250,000              | 250,000              | 250,000                  |
| Elementary Gates                              |                      | 150,000              |                      |                      | -                    | 150,000              |                      |                     | 150,000              | 150,000              | 150,000                  |
|                                               | <u>-</u>             | <u>1,700,000</u>     | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>1,700,000</u>     | <u>-</u>             | <u>-</u>            | <u>1,700,000</u>     | <u>1,700,000</u>     | <u>1,700,000</u>         |
| Subscriptions                                 |                      | 607,934              |                      | 607,934              | 607,934              | -                    | 607,934              |                     |                      | 607,934              | -                        |
| Energy Performance Contract                   | 8,765,205            | 8,765,205            | 5,414,266            | 2,909,794            | 8,324,060            | 441,145              | 8,765,205            |                     |                      | 8,765,205            | 441,145                  |
| Totals                                        | <u>\$ 48,043,613</u> | <u>\$ 52,926,547</u> | <u>\$ 23,473,973</u> | <u>\$ 12,423,188</u> | <u>\$ 35,897,161</u> | <u>\$ 17,029,386</u> | <u>\$ 9,373,139</u>  | <u>\$ 1,682,684</u> | <u>\$ 41,870,724</u> | <u>\$ 52,926,547</u> | <u>\$ 17,029,386</u>     |

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Net Investment in Capital Assets**  
June 30, 2025

|                                                           |                             |
|-----------------------------------------------------------|-----------------------------|
| Capital assets, net                                       | <u>\$ 105,946,474</u>       |
| Deduct:                                                   |                             |
| Capital related liabilities :                             |                             |
| Accounts payable                                          | 1,469,488                   |
| Retainage payable                                         | 394,326                     |
| Short-term portion of energy performance contract payable | 944,056                     |
| Long-term portion of energy performance contract payable  | 9,147,753                   |
| Less: Unspent debt proceeds                               | (441,145)                   |
| Short-term portion of lease liabilities                   | 111,720                     |
| Long-term portion of lease liabilities                    | 255,454                     |
| Short-term portion of subscription liabilities            | 226,663                     |
| Long-term portion of subscription liabilities             | 246,464                     |
|                                                           | <u>12,354,779</u>           |
| Net investment in capital assets                          | <u><u>\$ 93,591,695</u></u> |



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

To the Board of Education  
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 aggregate remaining fund information of Plainedge Union Free School District ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 23, 2025. 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*

Port Jefferson Station, New York  
September 23, 2025

