

**Supplement
dated April 24, 2024**

to

**Official Statement
dated April 17, 2024**

relating to

**TOWN OF ISLIP
SUFFOLK COUNTY, NEW YORK**

\$35,153,000*
PUBLIC IMPROVEMENT SERIAL BONDS – 2024
(the “Bonds”)

\$19,085,000
BOND ANTICIPATION NOTES – 2024 SERIES B
(the “Series B Notes”)

\$2,375,000
BOND ANTICIPATION NOTES – 2024 SERIES C (FEDERALLY TAXABLE)
(the “Series C Notes”, and, collectively with the Series B Notes, the “Notes”)

Introduction

The Official Statement for the Bonds is dated **April 17, 2024** (the “Official Statement”). The **Town of Islip, Suffolk County, New York** (the “Town”) has prepared this Supplement, dated **April 24, 2024**, to the Official Statement (the “Supplement”) to include information related to the Town’s unaudited financial statements for the fiscal year ended December 31, 2023.

Other than with respect to the information provided herein, this Supplement is not otherwise updating the Official Statement, which speaks as of its date. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Official Statement.

The second paragraph of the “Financial Statements” section on page A-7 is hereby replaced and superseded with the following:

The Town also prepares and files annually with New York State an Annual Financial Report Update Document (“AUD”). The AUD is not audited and is not prepared in accordance with GAAP. The AUD for the fiscal year ended December 31, 2023 was filed in April 2024 and is available upon request.

The “Real Property Taxes” section on pages A-8 and A-9 is hereby replaced and superseded with the following:

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property. (See “*Statement of Revenues, Expenditures and Changes in Fund Balance*” in Appendix B, herein). Property taxes accounted for 40.1% of total general fund revenues for the fiscal year ended December 31, 2023, *based on preliminary, unaudited results, subject to change*. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the

municipalities, school districts and fire districts in the State, including the Town. (See “*Tax Levy Limit Law*” herein).

The following table sets forth total General Fund revenues and real property taxes received for each of the last five audited fiscal years, the most recent unaudited fiscal year and the amount budgeted for the current fiscal year.

General Fund Revenues & Real Property Taxes

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues⁽¹⁾</u>	Real Property <u>Taxes</u>	Ratio of Real Property Taxes to <u>Total Revenues</u>
2018	\$ 88,445,433	\$34,998,756	39.5%
2019	93,308,562	37,525,346	40.2
2020	95,606,072	38,997,701	40.8
2021	108,648,889	44,610,982	41.1
2022	115,922,259	44,491,001	38.4
2023 (Unaudited)	117,025,937	46,985,588	40.1
2024 (Adopted Budget)	117,723,231	47,326,366	40.2

⁽¹⁾ General Fund, Townwide.

Source: Audited Financial Statements, Annual Financial Report and Adopted Budget of the Town. Summary is not audited.

The “*State Aid*” section on pages A-9 and A-10 is hereby replaced and superseded with the following:

State Aid

The Town receives financial assistance from the State. State aid accounted for approximately 2.5% (exclusive of Local aid component which is comprised of primarily sales tax) of the total General Fund revenues of the Town for the fiscal year ended December 31, 2023, *based on preliminary, unaudited results, subject to change*. \$1,088,759 is budgeted for State aid in the 2024 Adopted Budget, representing 0.9% of budgeted General Fund Revenues.

If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. The outbreak of COVID-19 and the dramatic steps taken by the State to address it negatively impacted the State’s economy and financial condition. The use of federal stimulus funds allowed the State to avoid gap closing measures; however, the State may be required to implement gap closing measures in the future if the State experiences fiscal stress. Such actions may include but are not limited to reductions in State agency operations and/or delays or reductions in payments to local governments in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of local governments in the State, including the Town. (See also “*RISK FACTORS*” herein.)

The Town relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to municipalities will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the condition of the State’s economy and other circumstances, including State fiscal stress. Should the Town fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

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

The following table sets forth total General Fund revenues, State aid and Mortgage tax received for each of the last five audited fiscal years, the most recent unaudited fiscal year and the amount budgeted for the current fiscal year.

General Fund Revenues & State Aid

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues</u> ⁽¹⁾	<u>State Aid</u>	<u>Mortgage Tax</u>	Total State Aid and <u>Mortgage Tax</u>	Ratio of State Aid and Mortgage Tax to <u>Total Revenues</u>
2018	\$ 88,445,433	\$ 514,025	\$ 9,357,412	\$ 9,871,437	11.2%
2019	93,308,562	1,486,600	10,373,907	11,860,507	12.7
2020	95,606,072	648,168	13,906,432	14,554,600	15.2
2021	108,648,889	877,569	17,794,133	18,671,702	17.2
2022	115,922,259	2,952,643	15,084,313	18,036,956	15.6
2023 (Unaudited)	117,025,937	2,906,025	12,203,354	15,109,379	12.9
2024 (Adopted Budget)	117,723,231	1,088,759	11,000,000	12,088,759	10.3

(1) General Fund, Townwide.

(2) Excludes Local aid components (primarily sales tax revenues) which are reflected as Non-Property Tax Items in the Town's Audited Financial Statements.

Source: Audited Financial Statements, Annual Financial Report and Adopted Budget of the Town. Summary is not audited.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

Pages B-2 and B-3 are hereby replaced and superseded with the following pages:

Town of Islip
Balance Sheet
General Fund
Fiscal Year Ended December 31:

	<u>2021</u>	<u>2022</u>	<u>2023⁽¹⁾</u>
Assets:			
Cash and Cash Equivalents	\$ 88,635,826	\$ 114,681,102	\$ 112,167,732
Accounts Receivable, Net	1,849,300	1,834,116	2,610,756
Accrued Interest Receivable	-	-	71,661
Leases Receivable	-	1,278,926	1,278,926
Due from Federal, State & Other Governments	895,898	949,422	887,479
Due from Enterprise Funds	1,307,536	2,238,942	-
Due from Other Funds	7,062,641	339,960	4,728,262
Prepaid Expenses	1,312,908	1,195,189	1,208,838
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 101,064,109</u>	<u>\$ 122,517,657</u>	<u>\$ 122,953,654</u>
Liabilities			
Accounts Payables	\$ 1,609,949	\$ 4,212,747	\$ 2,625,618
Accrued Liabilities	1,390,484	1,003,130	989,601
Payroll Liabilities	-	-	149,177
Due To Other Governments	49,271	49,271	49,271
Due to Enterprise Funds	37,329	18,567	-
Due to Other Funds	4,815,694	146,135	2,383,103
Guaranty, Bid and Escrow Deposits	4,674,260	4,849,752	5,342,998
Bond Anticipation Notes	900,000	720,000	540,000
Unearned Revenue	25,786,960	45,243,733	35,473,451
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 39,263,947</u>	<u>\$ 56,243,335</u>	<u>\$ 47,553,219</u>
Deferred Inflows of Resources			
Leases Receivable	\$ -	\$ 1,264,146	\$ 3,958,182
Unearned Revenue - Property Taxes	19,040,470	14,992,479	17,440,924
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Revenue	<u>\$ 19,040,470</u>	<u>\$ 16,256,625</u>	<u>\$ 21,399,106</u>
Fund Balance:			
Non-spendable:			
Prepays	\$ 1,312,908	\$ 1,195,189	\$ 1,223,618
Long-term Receivable	-	14,780	-
Restricted:			
Culture and Recreation	287,400	289,302	299,320
Debt Service	3,579,224	3,976,316	6,513,989
Assigned:			
Purchase on Order or Contractual Obligations	617,343	7,495,430	
Workers' Compensation	9,696,227	9,955,480	12,353,244
Judgements and Claims	5,031,216	3,554,580	3,579,580
Insurance	1,175,132	2,692,085	
Subsequent Year's Budget	4,100,000	8,200,000	11,400,000
Unassigned:			
General Fund	16,960,242	12,644,535	18,631,578
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>\$ 42,759,692</u>	<u>\$ 50,017,697</u>	<u>\$ 54,001,329</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 101,064,109</u>	<u>\$ 122,517,657</u>	<u>\$ 122,953,654</u>

(1) Unaudited. Preliminary, subject to change. Statements not prepared in accordance with GAAP.

Source: Audited and Unaudited Financial Statements of the Town.

Summary itself is not audited.

Town of Islip
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Fiscal Year Ending December 31:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽¹⁾</u>
Revenues:						
Real Property Taxes	\$ 34,998,756	\$ 37,525,346	\$ 38,997,701	\$ 44,610,982	\$ 44,491,001	\$ 46,985,588
Real Property Tax Items	1,389,697	1,371,261	1,429,045	1,544,738	1,868,224	1,975,001
Non-Property Tax Items	6,885,947	6,835,389	6,573,295	6,058,852	6,745,720	6,090,555
Departmental Income	9,276,605	9,731,069	8,467,351	11,663,093	12,020,715	18,694,534
Intergovernmental Charges	10,300,289	10,563,598	10,536,171	10,442,530	11,488,848	9,099,658
Use Of Money And Property	2,027,827	2,373,406	1,686,348	1,389,387	2,428,667	6,622,647
Licenses And Permits	531,872	576,178	487,468	508,980	574,725	565,082
Fines And Forfeitures	1,362,701	1,193,692	365,962	426,168	463,167	459,564
Sale Of Property And Compensation For Loss	3,658,941	1,817,629	1,011,938	638,862	996,431	725,810
Miscellaneous	3,465,251	4,625,726	5,481,539	6,585,241	5,955,404	886,699
Interfund Revenues	4,156,436	4,472,590	4,797,454	5,501,446	5,841,959	-
State Aid	9,871,437	11,860,507	14,554,600	18,671,702	18,036,956	15,109,379
Federal Aid	519,674	362,171	1,217,200	606,908	5,010,442	9,811,420
Total Revenues	\$ 88,445,433	\$ 93,308,562	\$ 95,606,072	\$ 108,648,889	\$ 115,922,259	\$ 117,025,937
Expenditures:						
General Government Support	\$ 21,787,743	\$ 24,870,995	\$ 26,131,055	\$ 22,330,036	\$ 25,867,760	\$ 29,806,382
Public Safety	8,850,585	9,553,647	10,002,059	10,042,030	10,281,586	10,848,114
Health	-	-	-	-	-	-
Transportation	-	-	-	-	-	2,312,307
Economic Assistance	2,084,126	2,120,543	2,812,944	2,598,676	4,182,639	2,400,643
Culture And Recreation	13,821,665	15,558,354	14,590,775	15,751,455	19,402,069	23,614,334
Home And Community Services	4,809,012	4,999,616	5,134,771	5,316,261	5,663,365	6,178,615
Employee Benefits	28,148,589	28,480,375	28,756,167	29,248,492	31,050,012	26,861,043
Debt Service	11,852,188	13,163,510	12,260,194	12,504,830	12,640,597	14,027,437
Total Expenditures	\$ 91,353,908	\$ 98,747,040	\$ 99,687,965	\$ 97,791,780	\$ 109,088,028	\$ 116,048,875
Excess (Deciciency) of Revenues Over (Under Expenditures)	(2,908,475)	(5,438,478)	(4,081,893)	10,857,109	6,834,231	977,062
Other Financing Sources (Uses):						
Operating Transfer In	\$ 58,832	\$ 150,768	\$ 66,229	\$ 46,778	\$ 400,248	\$ 3,137,548
Operating Transfer Out	(209,972)	-	-	(520,807)	-	(130,976)
Premiums on Obligations	1,652,230	330,552	387,499	905,511	148,580	-
Refunding Bonds Issued	-	-	2,805,395	6,434,993	3,031,429	-
Payments to Refunded Bond Account	-	-	(3,141,203)	(7,157,218)	(3,156,483)	-
Total Other Financing Sources (Uses)	\$ 1,501,090	\$ 481,320	\$ 117,920	\$ (290,743)	\$ 423,774	\$ 3,006,572
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,407,385)	(4,957,158)	(3,963,973)	10,566,366	7,258,005	3,983,634
Fund Balance Beginning of Year	\$ 42,521,842	\$ 41,114,457	\$ 36,157,299	\$ 32,193,326	\$ 42,759,692	\$ 50,017,697
Prior Period Adjustments	-	-	-	-	-	-
Fund Balance End of Year	\$ 41,114,457	\$ 36,157,299	\$ 32,193,326	\$ 42,759,692	\$ 50,017,697	\$ 54,001,331

(1) Unaudited. Preliminary, subject to change. Statements not prepared in accordance with GAAP.

Source: Audited and Unaudited Financial Statements of the Town.

Summary itself is not audited.