

## **THE DISTRICT**

### ***General Information***

The District was established in 1923 and is located in the western portion of Nassau County in the Town of Hempstead. The District is a component of the Sewanhaka Central High School District. The District has an area of approximately 2.4 square miles and a population currently estimated at 26,344. The District provides education for grades K-6 for its residents at three (3) elementary schools; John Street School, Polk Street School and the Washington Street School.

The District is predominantly a residential community with a number of retail business and small manufacturing firms located throughout the School District. It has Hempstead Turnpike and Southern State Parkway as its major east/west arteries. The area is served by numerous bank branches, including Bank of America, Citibank, JPMorgan Chase Bank and State Bank of Long Island. Many residents commute to New York City for employment, while others are employed in the surrounding communities.

### ***District Organization***

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the “Board”). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. Board members are generally elected for a term of three years.

In early July of each year, the Board meets for the purposes of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

### ***Financial Organization***

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and Assistant Superintendent for Business and District Treasurer.

### ***Budgetary Procedure***

The District’s fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District’s financial plan and enrollment projection are reviewed and updated and the first draft of the next year’s proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. The District’s budget is subject to the provisions of Chapter 97 of the Laws of 2011, as amended, which imposes limitations on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See “*The Tax Levy Limit Law*” herein).

On May 21, 2024, a majority of the voters of the District approved the District’s budget for the 2024-2025 fiscal year.

***School Enrollment Trends***

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

| <b><u>School Enrollment Trends</u></b>      |                                    |   |                                       |
|---|------------------------------------|---|---------------------------------------|
| <u>Fiscal Year</u><br><u>Ended June 30:</u> | <u>Actual</u><br><u>Enrollment</u> | <u>Fiscal Year</u><br><u>Ended June 30:</u> | <u>Projected</u><br><u>Enrollment</u> |
| 2019-20                                     | 1,995                              | 2024-25                                     | 1,860                                 |
| 2020-21                                     | 1,985                              | 2025-26                                     | 1,865                                 |
| 2021-22                                     | 1,892                              | 2026-27                                     | 1,870                                 |
| 2022-23                                     | 1,952                              | 2027-28                                     | 1,885                                 |
| 2023-24                                     | 1,924                              | 2028-29                                     | 1,890                                 |

Source: District officials.

***District Facilities***

The District operates the following facilities:

| <b><u>School Statistics</u></b> |                             |             |                 |
|---------------------------------|-----------------------------|-------------|-----------------|
| <u>Name</u>                     | <u>Year</u><br><u>Built</u> | <u>Type</u> | <u>Capacity</u> |
| John Street School              | 1935                        | K-6         | 471             |
| Polk Street School              | 1942                        | K-6         | 503             |
| Washington Street School        | 1948                        | K-6         | 602             |

Source: District officials.

***Employees***

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

| <u>No. of</u><br><u>Employees</u> | <u>Unit</u>                                      | <u>Contract</u><br><u>Expiration</u><br><u>Date</u> |
|-----------------------------------|--|---|
| 169                               | FSUFSD Teachers Association                      | 6/30/28   |
| 20                                | Civil Service Employees Association (Custodians) | 6/30/27   |
| 3                                 | FSUFSD Head Custodians                           | 6/30/25   |
| 5                                 | Association of School Nurses of Franklin Square  | 6/30/26   |
| 6                                 | Association of Principals of Franklin Square     | 6/30/25   |
| 17                                | FSUFSD Educational Secretaries Association       | 6/30/28   |
| 77                                | Teacher Aides                                    | 6/30/25   |
| 35                                | Bus Drivers                                      | 6/30/26   |
| 2                                 | FSUFSD Teacher Assistants                        | 6/30/27   |
| 41                                | FSUFSD Monitors (part-time)                      | N/A   |

## ***Employee Pension Benefits***

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

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

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

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

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, legislation was enacted that permitted school districts to amortize a portion of its annual employer pension payment to the ERS only. Under such legislation, school districts that choose to amortize were required to set aside and reserve funds with the ERS for certain future rate increases. The District has not amortized any of its employer pension payments pursuant to this legislation and expects to continue to pay all payments in full when due.

In addition, in Spring 2013, the State and TRS approved a Stable Contribution Option (“SCO”) that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). ERS followed suit and modified its existing ERS SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts.

The TRS SCO deferral plan is available to school districts for up to 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five 21 years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%. The District has not amortized any of its employer pension payments as part of the SCO and expects to continue to pay all payments in full when due.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District is not participating in any SCO deferral plans.

### ***Other Post Employment Benefits***

The District implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended June 30, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The District’s total OPEB liability as of June 30, 2024 was \$49,025,275 using a discount rate of 3.93% and actuarial assumptions and other inputs as described in the District’s June 30, 2024 audited financial statements.

Should the District be required to fund the total OPEB liability, it could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the District to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether such legislation will be enacted into law in the foreseeable future.

### ***Investment Policy and Permitted Investments***

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

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation bonds or revenue anticipation bonds issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York

public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

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

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

## **FINANCIAL FACTORS**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

### ***Real Property Taxes***

The District derives a major portion of its revenues from a tax on real property (see “*Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund*” in Appendix B, herein). Property taxes accounted for 63.8% of total general fund revenues for the fiscal year ended June 30, 2024, while State aid accounted for 21.1%.

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and the amounts budgeted for the current and upcoming fiscal years.

| Fiscal Year<br>Ended June 30: | <b><u>Property Taxes</u></b>     |                                       | Real Property<br>Taxes to<br>Revenues |
|-------------------------------|----------------------------------|---------------------------------------|---------------------------------------|
|                               | Total<br>Revenues <sup>(1)</sup> | Real Property<br>Taxes <sup>(1)</sup> |                                       |
| 2020                          | 38,443,499                       | 25,188,697                            | 65.5                                  |
| 2021                          | 38,291,542                       | 26,031,054                            | 68.0                                  |
| 2022                          | 40,403,959                       | 26,523,700                            | 65.6                                  |
| 2023                          | 43,811,529                       | 27,289,612                            | 62.2                                  |
| 2024                          | 47,727,485                       | 28,748,205                            | 60.2                                  |
| 2025 (Adopted Budget)         | 49,216,454                       | 28,367,810                            | 57.6                                  |

(1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

### **State Aid**

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

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the current and upcoming fiscal years.

**State Aid**

| <u>Fiscal Year<br/>Ended June 30:</u> | <u>Total<br/>Revenues<sup>(1)</sup></u> | <u>Total<br/>State Aid</u> | <u>Percentage of Total Revenues<br/>Consisting of State Aid</u> |
|---------------------------------------|---|----------------------------|---|
| 2020                                  | 38,443,499                              | 8,297,582                  | 21.6  |
| 2021                                  | 38,291,542                              | 8,142,318                  | 21.3  |
| 2022                                  | 40,403,959                              | 9,292,810                  | 22.9  |
| 2023                                  | 43,811,529                              | 11,514,885                 | 26.2  |
| 2024                                  | 47,727,485                              | 14,374,827                 | 30.1  |
| 2025 (Adopted Budget)                 | 49,216,454                              | 15,772,334                 | 32.0  |

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

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

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

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

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

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

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

### ***COVID-19 Stimulus and Uses***

On March 11, 2021, the federal government signed into law The American Rescue Plan (“ARP”) that addresses issues related to the ongoing COVID-19 pandemic. The ARP Act also creates new programs to address continuing pandemic-related crisis and fund recovery efforts. It provides significant funding to local governments and school districts in NYS. As of the date of this Official Statement, there is still guidance being issued on how and for what these funds can be used. The funds must all be spent by December 31, 2026.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

The District received approximately \$xxx in CARES Act funds that offset school building related expenditures due to the pandemic. The District is allocated approximately \$xxxxx in additional Federal stimulus funding between the American Rescue Plan Act (“ARP”) and the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) to address learning loss, mental health needs, to upgrade technology, to improve indoor air quality and support all students' academic needs.

### ***Events Affecting New York School Districts***

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State’s 2020-2021 Enacted Budget was 3.7 percent lower than in the State’s 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor’s Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State’s 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State’s 2020-2021 Enacted Budget authorized the State’s Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. See “State Aid” herein for a discussion of this provision set forth in the State’s 2020-2021 Enacted Budget.

School district fiscal year (2021-2022): For the 2021-2022 school year, the State’s Enacted budget provided \$29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% (\$3.0 billion) compared to the 2020-2021 school year, including a \$1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, helped schools safely reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID19 pandemic. The Budget allocated \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In

addition, the Budget used \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

School district fiscal year (2022-2023): For the 2022-2023 school year, the State's Enacted provided \$31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represented a year-to-year funding increase of \$2.1 billion or 7.07%. and included \$21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflected the second year of the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in prekindergarten to \$1.1 billion, an increase of \$125 million, or 13%. The Budget also included a total of \$100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This included support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

School district fiscal year (2023-2024): For the 2023-2024 school year, the Enacted Budget provided \$34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represented a year-to-year funding increase of \$3.1 billion or 10.00%. and includes \$24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2022-23 school year increase in Foundation Aid is to complete the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in pre-kindergarten to \$1.2 billion, an increase of \$125 million, or 9.09%. The Budget also included a total of \$20 million in grant funding to support the establishment of new early college high school programs.

School district fiscal year (2024-2025): For the 2024-2025 school year, the Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, the District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*" herein).

### ***General Fund Operations***

Appendix B sets forth the General Fund operations for the last five fiscal years which are derived from the District's Audited Financial Statements.

### ***Other Revenues***

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

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

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



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

The most current applicable report of the State Comptroller designates the District as "No Designation."

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

### **TAX INFORMATION**

#### ***Real Property Tax Assessments and Rates***

|                              | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assessed Valuation           | \$7,513,564    | \$7,264,072    | \$6,837,864    | \$6,609,248    | \$6,586,376    |
| Equalization Rate            | 0.22%          | 0.18%          | 0.15%          | 0.15%          | 0.15%          |
| Full Valuation               | 3,415,256,364  | 4,033,928,900  | 4,558,516,000  | 4,406,165,330  | 4,390,917,330  |
| <b>Tax Levy:</b>             |                |                |                |                |                |
| General Fund                 | \$28,341,631   | \$29,003,151   | \$29,410,022   | \$30,006,795   | \$30,971,882   |
| CHSD                         | 31,321,697     | 31,434,732     | 30,399,279     | 31,245,731     | 31,903,104     |
| <b>Tax Rates per \$1,000</b> |                |                |                |                |                |
| <b>Assessed:</b>             |                |                |                |                |                |
| General Fund                 | \$3,772.06     | \$3,994.34     | \$4,301.04     | \$4,540.12     | \$4,702.42     |
| CHSD                         | 4,168.69       | 4,329.21       | 4,445.73       | 4,727.58       | 4,843.80       |
| Uncollected Taxes            | None           | None           | None           | None           | None           |

#### ***Tax Limit***

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. (See, however, "Tax Levy Limit Law" herein).

#### ***The Tax Levy Limit Law***

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

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

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be

required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

### ***Tax Collection Procedure***

In Nassau County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The town tax receiver pays to each school district the amounts collected therefore on the first day of each month from October 1 to June 1. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receiver files a report of any uncollected school district taxes with the County. Pursuant to the Nassau County Administrative Code, the County thereafter on or before June 15 is required to pay to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. However, in recent years, this has not always been the case as some of these payments have been delayed.

### ***STAR - School Tax Exemption***

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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

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

The 2019-2020 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

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

Approximately 6.57% of the District’s 2023-2024 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Based on information furnished to the District, approximately 6.45% of the District’s 2024-2025 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2025. (See “*State Aid*” herein).

***Largest Taxpayers of the District***

The following table presents the taxes paid by the District’s ten largest taxpayers for the 2023-24 fiscal year.

| <b><u>Taxable Assessments</u></b> |                           |                           |   |
|-----------------------------------|---------------------------|---------------------------|---|
| <u>Taxpayer Name</u>              | <u>Nature of Business</u> | <u>Assessed Valuation</u> | <u>Percent Total Assessed Valuation<sup>(1)</sup></u> |
| Aldad & Sons Realty Inc.          | Commercial                | 173,715                   | 2.64  |
| Voellm Family LLC.                | Shopping Center           | 106,354                   | 1.61  |
| Laibach Trust                     | Commercial                | 74,098                    | 1.13  |
| Cherry Valley Properties          | Apartments                | 62,956                    | 0.96  |
| Franklin Realty Assoc. LLC        | Commercial                | 57,821                    | 0.88  |
| Valley East Properties            | Commercial                | 52,712                    | 0.80  |
| Harry & Jane Fischel Foundation   | Commercial                | 43,144                    | 0.66  |
| Dogwood Avenue Properties LLC     | Commercial                | 41,888                    | 0.64  |
| Franklin Brothers Realty          | Commercial                | 37,573                    | 0.57  |
| NBF Franklin Sq. LLC              | Commercial                | <u>31,129</u>             | <u>0.47</u>   |
| Total                             |                           | <u>\$681,390</u>          | <u>10.35%</u>   |

(1) The District’s total assessed valuation for the 2023-24 fiscal year is \$6,586,376.

Source: Nassau County Assessment Rolls.

**DISTRICT INDEBTEDNESS**

***Constitutional and Statutory Requirements***

The New York State Constitution limits the power of the District (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the District.

***Purpose and Pledge.*** The District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

***Payment and Maturity.*** Except for certain short-term indebtedness contracted in anticipation of taxes (such as the Notes) or to be paid in one of the fiscal years immediately succeeding the fiscal year in which such indebtedness

was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted. No installment may be more than fifty per cent in excess of the smallest prior installment, unless the Board of Education provides for substantially level or declining debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

**General.** The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. (See “*The Tax Levy Limit Law*” herein).

### ***Statutory Procedure***

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the power and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional and provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

**Debt Limit.** Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

***Statutory Debt Limit and Net Indebtedness***

The following table sets forth the computation of the debt limit of the District and its debt-contracting margin. This is calculated by taking 10% of the current full value of the District.

**Statutory Debt Limit and Net Indebtedness**  
**(As of June 30, 2024)**

|  |                 |                      |
|--|-----------------|----------------------|
| Full Valuation of Taxable Real Property                  | \$4,390,917,330 |                      |
| Debt Limit (10% of Full Valuation)                       |                 | \$439,091,733        |
| Outstanding Indebtedness <sup>(1)</sup>                  |                 |                      |
| Bonds  | \$0             |                      |
| Gross Indebtedness                                       |                 | <u>0</u>             |
| Less Exclusion for Estimated Building Aid <sup>(2)</sup> |                 | 0                    |
| Total Net Indebtedness                                   |                 | <u>0</u>             |
| Net Debt-Contracting Margin                              |                 | <u>\$439,091,733</u> |
| Percentage of Debt-Contracting Margin Exhausted          |                 | <u>0.0%</u>          |

- (1) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District.
- (2) Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes. The amount shown is not necessarily the amount the District will ultimately receive.

***Revenue and Tax Anticipation Notes***

The District has not found it necessary to borrow in anticipation of revenues or taxes since the 2007-2008 fiscal year.

***Bond Anticipation Notes***

The District has no outstanding bond anticipation notes.

***Trend of Capital Indebtedness***

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years ending June 30.

|                          | <b><u>Direct Capital Indebtedness Outstanding</u></b> |                    |             |             |             |
|--------------------------|---|--------------------|-------------|-------------|-------------|
|                          | <u>2020</u>   | <u>2021</u>        | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Bonds:                   | \$2,020,000   | \$1,020,000        | \$0         | \$0         | \$0         |
| Bond Anticipation Notes: | <u>0</u>  | <u>0</u>           | <u>0</u>    | <u>0</u>    | <u>0</u>    |
| Totals                   | <u>\$2,020,000</u>                                    | <u>\$1,020,000</u> | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  |

Source: Audited Financial Statements of the District. Summary itself is not audited.

***Authorized and Unissued Indebtedness***

The District had no authorized but unissued items.

***Overlapping and Underlying Debt***

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers’ share of overlapping and underlying debt is based on the amount of the District’s equalized property values taken as a percentage of each separate unit’s total values. The following table presents the amount of overlapping and underlying debt and the District’s share of this debt. Authorized but unissued debt has not been included.

**Statement of Direct and Overlapping Indebtedness**

| <u>Issuer</u>                   | Net Debt<br><u>Outstanding</u> | <u>As of</u> | District<br><u>Share</u> | Amount Applicable<br><u>To District</u> |
|---------------------------------|--------------------------------|--------------|--------------------------|---|
| County of Nassau                | \$2,832,189,000                | 04/30/24     | 0.51%                    | \$ 14,444,164                           |
| Town of Hempstead               | 346,429,243                    | 04/25/24     | 1.10                     | <u>3,810,722</u>                        |
| Total Net Overlapping Debt      |                                |              |                          | \$ 18,254,886                           |
| Total Net Direct Debt           |                                |              |                          | <u>0</u>                                |
| Net Direct and Overlapping Debt |                                |              |                          | <u>\$ 18,254,886</u>                    |

Source: Data provided by County, Town and Village officials.

***Debt Ratios***

The following table presents certain debt ratios relating to the District’s direct and overlapping indebtedness.

**Debt Ratios**

|   | <u>Amount</u> | Debt Per<br><u>Capita</u> <sup>(1)</sup> | Percentage of<br><u>Full Value</u> <sup>(2)</sup> |
|---|---------------|--|---|
| Net Direct Indebtedness                 | \$ 0          | \$0                                      | 0.0%  |
| Net Direct and Overlapping Indebtedness | 18,254,886    | 692.94                                   | 0.4   |

(1) The population of the District is estimated by District officials to be approximately 26,344.

(2) The District’s full value of taxable real property for 2024 is \$4,390,917,330.

**APPENDIX B**

**FINANCIAL STATEMENT SUMMARIES**

**Franklin Square Union Free School District**  
 Consolidated Statement of Budgeted Revenues and Expenses  
 General Fund  
 Fiscal Year Ending June 30:

|                         | 2023-2024 | 2024-2025    |
|-------------------------|-----------|--------------|
|                         | Adopted   | Adopted      |
|                         | Budget    | Budget       |
| <u>REVENUES</u>         |           |              |
| Real Property Taxes     |           | \$32,205,120 |
| State Aid               |           | 15,623,170   |
| Other Revenues          |           | 2,444,664    |
| Total Revenues          | \$0       | \$50,272,954 |
| <br><u>EXPENDITURES</u> |           |              |
| General Support         |           | \$5,377,397  |
| Instruction             |           | 27,604,999   |
| Pupil Transportation    |           | 2,098,725    |
| Community Service       |           | 1,314,955    |
| Employee Benefits       |           | 12,304,778   |
| Transfers               |           | 1,442,100    |
| Debt Service            |           | 130,000      |
| Total Expenditures      | \$0       | \$50,272,954 |



**Franklin Square Union Free School District**  
Consolidated Balance Sheet  
General Fund  
Fiscal Year Ending June 30:

| As of June 30:                               | 2023                | 2024                |
|--|---------------------|---------------------|
| <u>ASSETS</u>                                |                     |                     |
| Cash   | \$14,450,386        | \$12,887,048        |
| State and Federal Aid Receivable             | 489,847             | 473,436             |
| Taxes receivable                             | 1,177,521           | 1,102,302           |
| Accounts Receivable                          | 92,352              | 90,008              |
| Due from Other Funds                         | 8,143,589           | 7,000,952           |
| Due from Other Governments                   | 1,064,879           | 478,174             |
| <b>TOTAL ASSETS</b>                          | <b>\$25,418,574</b> | <b>\$22,031,920</b> |
| <br><u>LIABILITIES</u>                       |                     |                     |
| Accounts Payable                             | \$304,226           | \$175,142           |
| Accrued Liabilities                          | 972,605             | 367,680             |
| Due to Other Governments                     | 0                   | 0                   |
| Due to Other Funds                           | 8,296,249           | 4,396,020           |
| Due to Teachers Retirement System            | 2,128,233           | 2,130,084           |
| Due to Employees' Retirement System          | 193,851             | 282,205             |
| Student Deposits                             | 43,707              | 63,663              |
| Compensated Absences                         | 0                   | 0                   |
| Collections in Advance                       | 140,156             | 133,207             |
| <b>TOTAL LIABILITIES</b>                     | <b>12,079,027</b>   | <b>7,548,001</b>    |
| <br>DEFERRED INFLOWS OF RESOURCES            |                     |                     |
| State Aid                                    | 0                   | 0                   |
| <br><u>FUND BALANCES (1)</u>                 |                     |                     |
| Fund Balances:                               |                     |                     |
| Nonspendable                                 | 16,782              | 0                   |
| Restricted                                   | 9,825,219           | 11,235,452          |
| Assigned                                     | 1,569,984           | 1,237,550           |
| Unassigned                                   | 1,927,562           | 2,010,917           |
| <b>TOTAL FUND BALANCES</b>                   | <b>13,339,547</b>   | <b>14,483,919</b>   |
| <b>TOTAL LIABILITIES &amp; FUND BALANCES</b> | <b>\$25,418,574</b> | <b>\$22,031,920</b> |

Source: Information for the appendix has been extracted from the audited financial statements of the Franklin Square Union Free School District. This summary itself has not been audited. Reference should be made to the complete audit reports on file at the School District Office.

**Franklin Square Union Free School District**  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
 General Fund  
 Fiscal Year Ending June 30:

| Year Ended June 30:  | 2020                | 2021                | 2022                | 2023                | 2024                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>REVENUES</u>  |                     |                     |                     |                     |                     |
| Real Property Taxes  | \$25,188,697        | \$26,031,054        | \$26,523,700        | \$27,289,612        | \$28,748,205        |
| Other Tax Items (Inc. STAR)  | 3,811,834           | 3,697,217           | 3,479,850           | 3,394,433           | 2,946,059           |
| Charges for Services   | 646,883             | 11,446              | 852,467             | 1,012,119           | 949,526             |
| Use of Money and Property  | 162,254             | 43,538              | 16,113              | 279,360             | 518,040             |
| State & Local Sources  | 8,297,582           | 8,142,318           | 9,292,810           | 11,514,885          | 14,374,827          |
| Federal Sources  | 0                   | 325,749             | 6,878               | 52,620              | 16,623              |
| Miscellaneous  | 336,249             | 40,220              | 232,141             | 266,540             | 174,205             |
| <b>Total Revenues</b>  | <b>38,443,499</b>   | <b>38,291,542</b>   | <b>40,403,959</b>   | <b>43,811,529</b>   | <b>47,727,485</b>   |
| <u>EXPENDITURES</u>  |                     |                     |                     |                     |                     |
| General Support  | 3,706,297           | 4,441,710           | 4,420,033           | 4,853,059           | 5,249,456           |
| Instruction  | 21,521,095          | 21,695,700          | 22,478,833          | 24,002,984          | 26,529,513          |
| Pupil Transportation   | 1,253,715           | 1,492,285           | 1,462,880           | 1,709,922           | 1,950,664           |
| Community Services   | 475,594             | 11,263              | 856,885             | 800,045             | 911,706             |
| Employee Benefits  | 8,260,712           | 8,488,932           | 9,200,434           | 9,551,758           | 10,497,148          |
| Debt Service   | 1,245,500           | 1,101,000           | 1,071,000           | 0                   | 0                   |
| <b>Total Expenditures</b>  | <b>36,462,913</b>   | <b>37,230,890</b>   | <b>39,490,065</b>   | <b>40,917,768</b>   | <b>45,138,487</b>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures                                     | 1,980,586           | 1,060,652           | 913,894             | 2,893,761           | 2,588,998           |
| Other Sources (Uses):  |                     |                     |                     |                     |                     |
| Operating Transfers In   | 0                   | 23,344              | 1,705,742           | 38,141              | 0                   |
| Operating Transfers Out  | (102,137)           | (90,254)            | (3,490,814)         | (4,943,090)         | (1,444,626)         |
| <b>Total Other Sources (Uses):</b>   | <b>(102,137)</b>    | <b>(66,910)</b>     | <b>(1,785,072)</b>  | <b>(4,904,949)</b>  | <b>(1,444,626)</b>  |
| Excess (Deficiency) of Revenues<br>and Other Sources Over<br>Expenditures and Other Uses | 1,878,449           | 993,742             | (871,178)           | (2,011,188)         | 1,144,372           |
| Fund Balances (Deficits) -<br>Beginning of Year  | 13,349,722          | 15,228,171          | 16,221,913          | 15,350,735          | 13,339,547          |
| Other Changes in Fund Equity   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Fund Balances - End of Year</b>   | <b>\$15,228,171</b> | <b>\$16,221,913</b> | <b>\$15,350,735</b> | <b>\$13,339,547</b> | <b>\$14,483,919</b> |

Source: Information for the appendix has been extracted from the audited financial statements of the Franklin Square Union Free School District. This summary itself has not been audited. Reference should be made to the complete audit reports on file at the School District Office.