

## REPORT TO THE BOARD

November 1, 2022

The Board of Education  
William Floyd Union Free School District

Dear Board Members:

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of William Floyd Union Free School District (the District) for the year ended June 30, 2022 and have issued our report thereon dated November 1, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### Summary of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in note 1 to the financial statements. As described in note 1(j) to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87 - "Leases," during the year ended June 30, 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2022, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

### Significant Disclosures

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, as listed in the table of contents, which accompanies the financial statements but is not RSI. The accompanying schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\* \* \* \* \*

This information is intended solely for the information and use of the Board of Education and management of William Floyd Union Free School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*EFPR Group, CPAs, PLLC*

EFPR GROUP, CPAs, PLLC

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report  
June 30, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

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WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
William Floyd Union Free School District:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in note 1(j) to the financial statements, the District adopted the provisions of Governmental Accounting standards Board (GASB) Statement No. 87 - "Leases," during the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

#### 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.

### Auditors' 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 auditors' 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 GAAS 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 GAAS and Government Auditing Standards, we:

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

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information as listed in the table of contents 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 GASB 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
November 1, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis  
June 30, 2022

The William Floyd Union Free School District's (the District) management's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the year ended June 30, 2022 in comparison with the year ended June 30, 2021, with emphasis on the current year. This should be read in conjunction with the financial statements, which immediately follow this section.

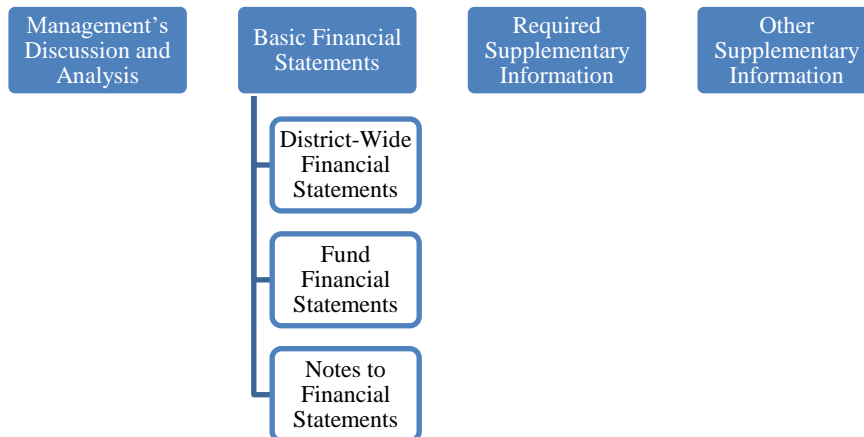
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for year ended June 30, 2022 are as follows:

- The District's total net position, as reflected in the District-Wide financial statements increased by \$16,263,637 or 28%.
- The District's expenses for the year, as reflected in the District-Wide financial statements, totaled \$255,506,646. Of this amount, \$678,683 was offset by program charges for services, \$24,080,426 was offset by operating grants. The remaining expenses of \$230,747,537 were offset by general revenue of \$247,011,174 resulting in an increase in net position of \$16,263,637.
- Expenses decreased by \$10,020,342 to \$255,506,646 in 2022 from \$265,526,988 in 2021. This decrease is primarily attributable to actuarial changes to amounts reported for pensions as reported by New York State.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by \$9,274,899. This was due to revenues exceeding expenditures.
- The District adopted the provisions of Governmental Accounting Standards Board Statement No. 87 - "Leases," as discussed in the note 1(j) to the financial statements.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts: management's discussion and analysis (MD&A), the basic financial statements, required supplementary information and other supplementary information. The basic 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:



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

**A. District-Wide Financial Statements**

The District-Wide financial statements 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 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net of the four 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, respectively.

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. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

**B. Funds Financial Statements**

The funds 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.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenue in the period that it becomes measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-Wide financial statements. However, the governmental funds 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 funds statements provide a detailed short-term view of the District's operations and the services it provides.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

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, you 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 revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds: general fund, school lunch fund, special aid fund, capital projects fund, and miscellaneous fund, each of which is considered to be a major fund and is presented separately in the funds financial statements.

Fiduciary Fund

The fiduciary fund is used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate statement of changes in fiduciary net position. 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 \$16,263,637 between fiscal year 2022 and 2021. A summary of the District's Statements of Net Position is as follows:

	<u>2022</u>	<u>2021*</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Current assets	\$ 138,240,171	112,416,431	25,823,740	23%
Capital assets, net	234,088,704	233,194,413	894,291	1%
Net pension assets	94,912,761	-	94,912,761	100%
Total assets	<u>467,241,636</u>	<u>345,610,844</u>	<u>121,630,792</u>	35%
Deferred outflows of resources	<u>235,111,933</u>	<u>143,455,579</u>	<u>91,656,354</u>	64%
Current liabilities	38,286,407	26,820,074	11,466,333	43%
Non-current liabilities	<u>343,292,172</u>	<u>323,923,486</u>	<u>19,368,686</u>	6%
Total liabilities	<u>381,578,579</u>	<u>350,743,560</u>	<u>30,835,019</u>	9%
Deferred inflows of resources	<u>247,123,668</u>	<u>80,935,178</u>	<u>166,188,490</u>	205%
Net position:				
Net investment in capital assets	229,348,834	214,898,281	14,450,553	7%
Restricted	56,883,679	33,209,172	23,674,507	71%
Unrestricted (deficit)	<u>(212,581,191)</u>	<u>(190,719,768)</u>	<u>(21,861,423)</u>	-12%
Total net position	<u>\$ 73,651,322</u>	<u>57,387,685</u>	<u>16,263,637</u>	28%

\* Restated as described in note 14.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Current and other assets increased by \$25,823,740, as compared to the prior year. This increase is primarily due to an increase in cash and amounts due from other governments.

Capital assets increased by \$894,291, as compared to the prior year. Note 5 to the financial statements provides additional information.

Net pension assets increased \$94,912,761, as compared to the prior year. This is primarily a result of changes as required by GASB Statements No. 68 and No. 71 in the amounts reported to the District by the New York State and Local Employees' Retirement System (ERS) and the Teachers' Retirement System (TRS).

Deferred outflows of resources increased by \$91,656,354, as compared to the prior year. This is due actuarially determined changes in other postemployment benefits (OPEB) as required by GASB Statement No. 75.

Current and other liabilities increased by \$11,466,333, primarily due to increases in accounts payable and unearned revenue.

Long-term liabilities increased by \$19,368,686, as compared to the prior year. This increase is primarily due to decreases in the amounts reported by ERS and TRS, actuarially determined changes in OPEB as required by GASB Statement No. 75 and the issuance of Library bonds.

Deferred inflows of resources increased by \$166,188,490, as compared to the prior year. This is primarily due to which was offset by actuarially determined changes in OPEB as required by GASB Statement No. 75.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The unrestricted net position (deficit) at June 30, 2022 is \$212,581,191 which represents the amount by which the District's assets, other than capital assets, and deferred outflows of resources exceeded liabilities and deferred inflows of resources, excluding debt related to capital construction, less amounts restricted by enabling legislation. This deficit is a direct result of reporting the total other postemployment benefit liability of \$301,990,050 as required by GASB Statement No. 75.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the statement of activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items lines. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

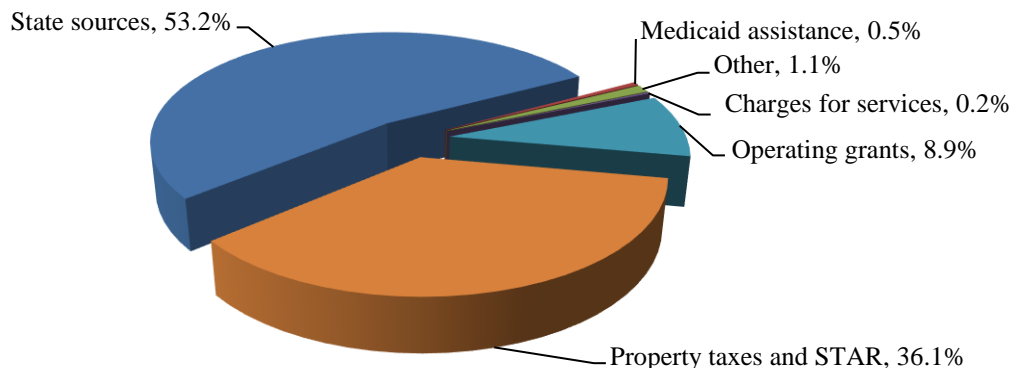
	<u>2022</u>	<u>2021</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Revenue:				
Program revenue:				
Charges for services	\$ 678,683	267,331	411,352	154%
Operating grants	24,080,426	17,767,355	6,313,071	36%
Capital grants	-	185,125	(185,125)	-100%
General revenue:				
Property taxes and STAR	98,197,270	102,898,936	(4,701,666)	-5%
State sources	144,685,006	124,962,017	19,722,989	16%
Medicaid assistance	1,303,876	1,145,568	158,308	14%
Other sources	<u>2,825,022</u>	<u>3,266,850</u>	<u>(441,828)</u>	-14%
Total revenue	<u>271,770,283</u>	<u>250,493,182</u>	<u>21,277,101</u>	8%
Expenses:				
General support	28,158,037	33,008,107	(4,850,070)	-15%
Instruction	198,760,819	209,126,819	(10,366,000)	-5%
Pupil transportation	21,603,324	19,347,133	2,256,191	12%
Community services	77,900	271,713	(193,813)	-71%
Interest	930,796	1,277,062	(346,266)	-27%
Food service program	<u>5,975,770</u>	<u>2,496,154</u>	<u>3,479,616</u>	139%
Total expenses	<u>255,506,646</u>	<u>265,526,988</u>	<u>(10,020,342)</u>	-4%
Change in net position	<u>\$ 16,263,637</u>	<u>(15,033,806)</u>	<u>31,297,443</u>	208%

The District's revenues increased by 8% in 2022 or \$21,277,101. The major factors that contributed to the increase was increased revenue from state sources recognized in operating grants and state aid.

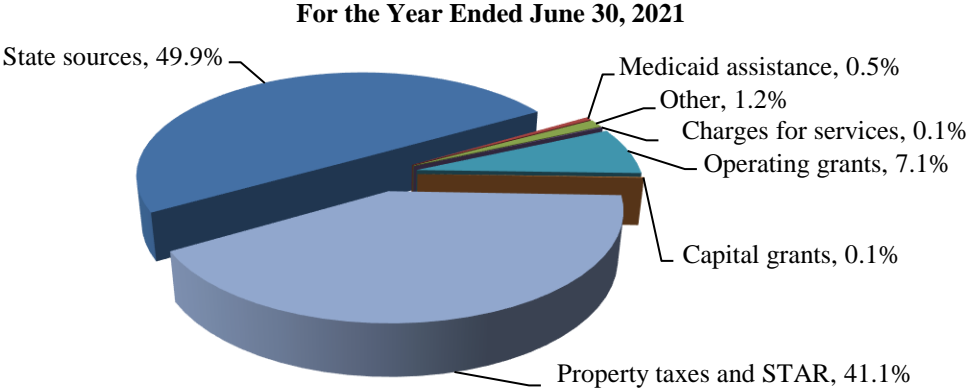
The District's expenses for the year decreased by 4% in 2022 or \$10,020,342 primarily as a result of actuarily determined changes in OPEB and increased spending related to federal grants which was offset by negative pension expense.

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

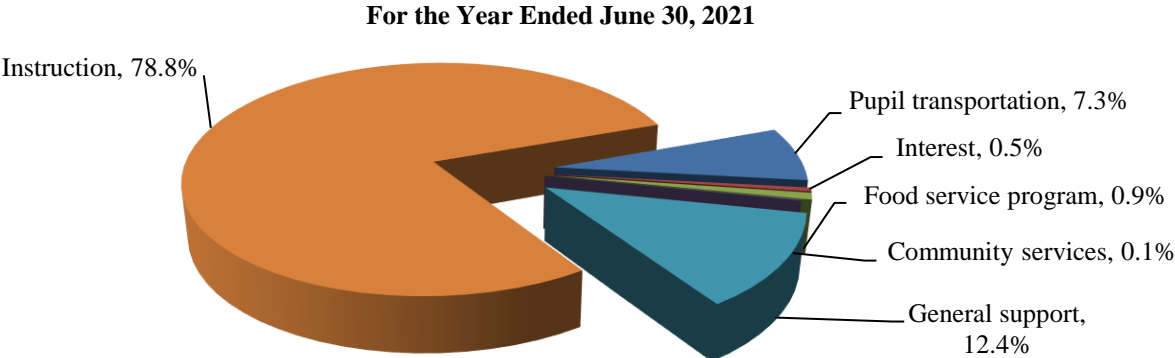
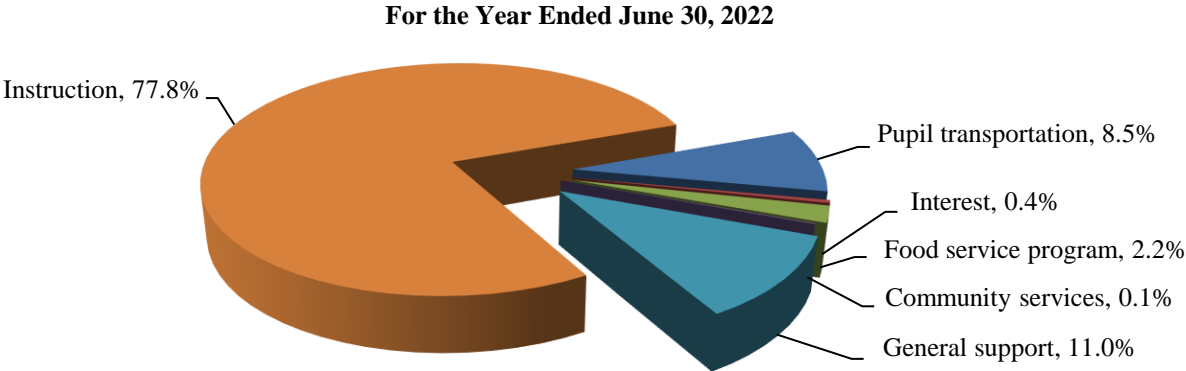
**For the Year Ended June 30, 2022**



**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT**  
**Management's Discussion and Analysis, Continued**



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



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2022, the District's governmental funds reported a combined fund balance of \$89,046,074, which is an increase of \$2,059,660 from the prior year. This increase is due to an excess of revenue over expenditures based upon the modified accrual basis of accounting. A summary of the change in fund balance by fund is as follows:

	<u>2022</u>	<u>2021</u>	<u>Increase (decrease)</u>
General Fund:			
Restricted:			
Workers' compensation	\$ 8,526,756	4,522,816	4,003,940
Unemployment insurance	200,737	614,486	(413,749)
Retirement contribution	18,888,795	15,435,801	3,452,994
Insurance	3,000,000	2,800,944	199,056
Employee benefit accrued liability	9,885,412	6,256,634	3,628,778
Capital improvements	5,000,000	1,617,876	3,382,124
Repairs	<u>11,000,000</u>	<u>1,617,876</u>	<u>9,382,124</u>
Total restricted	<u>56,501,700</u>	<u>32,866,433</u>	<u>23,635,267</u>
Assigned:			
General support	717,180	668,795	48,385
Instruction	1,831,670	1,911,663	(79,993)
Pupil transportation	-	210,000	(210,000)
Employee benefits	-	50,547	(50,547)
Appropriated for subsequent year's expenditures	<u>-</u>	<u>1,500,000</u>	<u>(1,500,000)</u>
Total assigned	<u>2,548,850</u>	<u>4,341,005</u>	<u>(1,792,155)</u>
Unassigned	<u>10,600,906</u>	<u>23,169,119</u>	<u>(12,568,213)</u>
Total general fund	<u>69,651,456</u>	<u>60,376,557</u>	<u>9,274,899</u>
School Lunch Fund:			
Nonspendable - inventory	80,302	70,088	10,214
Assigned - unappropriated	<u>4,765,827</u>	<u>3,121,437</u>	<u>1,644,390</u>
Total school lunch fund	<u>4,846,129</u>	<u>3,191,525</u>	<u>1,654,604</u>
Capital Projects Fund:			
Restricted - energy performance contact	9,131,217	15,159,311	(6,028,094)
Unassigned	<u>5,035,293</u>	<u>7,916,282</u>	<u>(2,880,989)</u>
Total capital projects fund	<u>14,166,510</u>	<u>23,075,593</u>	<u>(8,909,083)</u>
Miscellaneous Fund:			
Restricted:			
Scholarships	139,846	107,968	31,878
Extraclassroom activities	<u>242,133</u>	<u>234,771</u>	<u>7,362</u>
Total miscellaneous fund	<u>381,979</u>	<u>342,739</u>	<u>39,240</u>
Total fund balance	<u>\$ 89,046,074</u>	<u>86,986,414</u>	<u>2,059,660</u>



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2021-22 Budget**

The District's general fund adopted budget for the year ended June 30, 2022 was \$251,311,607. This is an increase of \$5,704,996 from the prior years adopted budget.

The budget was funded through a combination of revenue and appropriated fund balance. The majority of this funding source was \$144,685,006 in state aid and \$86,819,541 in real property taxes.

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

The general fund's unreserved - undesignated fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". 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	\$ 23,169,119
Revenue and other sources under budget	(487,917)
Expenditures and other uses and encumbrances under budget	25,871,638
Budgeted use of restricted funds	(1,200,000)
Change in restricted funds	(23,635,267)
Additional appropriations of fund balance	(13,116,667)
Closing, unassigned fund balance	\$ <u>10,600,906</u>

**Opening, Unassigned Fund Balance**

The \$23,169,119 shown in the table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned.

**Revenue and Other Sources Under Budget**

The 2021-2022 final budget for revenue was \$248,688,896. The actual revenue and other sources received for the year was \$248,200,979. The actual revenue and other sources was under budgeted revenue by \$487,917. This variance contributes directly to the change of the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

**Expenditures and Other Uses and Encumbrances Under Budget**

The 2021-2022 final budget for expenditures and other uses was \$267,346,568. The actual expenditures and other uses and encumbrances was \$241,474,930. The final budget was under expended by \$25,871,638. This under expenditure also contributes to the change of the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

**Additional Appropriations of Fund Balance**

The District appropriated additional fund balance during the year to partially fund its 2021-2022 operating budget.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2022-2023 fiscal year with an unassigned fund balance of \$10,600,906, which is 4.0% of the District's 2022-2023 approved operating budget.

**6. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2022, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions exceeding depreciation recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of depreciation at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021*</u>	Increase (decrease)
Land	\$ 35,132,218	35,132,218	-
Construction in progress	51,987,247	42,328,164	9,659,083
Buildings and improvements	140,178,774	147,604,702	(7,425,928)
Vehicles, furniture and equipment	3,317,775	3,771,169	(453,394)
Right to use of lease asset	<u>3,472,690</u>	<u>4,358,160</u>	<u>(885,470)</u>
Capital assets, net	<u>\$ 234,088,704</u>	<u>233,194,413</u>	<u>894,291</u>

\*Restated for implementation of GASB Statement No. 87.

**B. Debt Administration**

At June 30, 2022, the District had total bonds payable of \$13,280,000. A summary of the outstanding bonds payable at June 30, 2022 and 2021 is as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>2022</u>	<u>2021</u>	Increase (decrease)
Serial bonds	7/27/2016	5.00%	\$ 2,335,000	4,560,000	(2,225,000)
Library bonds	11/2/2021	2.00-2.25%	<u>10,945,000</u>	<u>-</u>	<u>10,945,000</u>
			<u>\$ 13,280,000</u>	<u>4,560,000</u>	<u>8,720,000</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

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

- Once again, state aid was increased during the 2021-22 fiscal period. This increase was mainly in the unrestricted category of Foundation Aid, along with the restoration of the “pandemic adjustment” from 2020-21. The increase in Foundation Aid, brings us closer to being properly funded, but still about \$40M less than the formula shows we are due. The timing of the increase created budgetary adjustments to restructure some of the revenue utilized to fund the budget and allowed the BOE to once again hold the tax levy at the same level.
- Both TRS and ERS employer contributions slightly increased during this fiscal period. Global economic factors and inflation rates continue to be volatile and unpredictable. This will provide additional interest earnings but will be completely consumed by the increases in commodities. One of the biggest costs we are feeling is the increase of utilities and durable goods, which is affecting every part of our operation. There are indications that this will be the trend for a number of years to come.
- Once again, tax assessments for the District increased slightly compared to the previous period, but still remain below the assessed values prior to the great recession. Local real estate prices and high buyer demand have contributed to the increase in assessed values and a better economic outlook for the District. Homes are selling quickly and housing stock is at a historic low.
- The District continues to operate under the Community Eligibility Program (CEP) which provides free breakfast and lunch for every student, regardless of income. Both federal and state aid have provided relief for meal distribution and additional ways to help those in need. We are seeing an increased demand from both students and those from the community and we are working to provide whatever we can to assist.
- Once again, historic federal grant fund opportunities continue to decelerate along with continued cost shifting to the local economy, from both the federal and the state levels. While the economic stimulus from federal stimulus packages I, II & III are greatly appreciated, their initiatives are unsustainable once the funding is depleted. Federal IDEA and Title I funding is the larger concern for a number of years forward.
- Due to surpluses created through decreased expenses and revenue being higher than anticipated the District was able to fund reserves and to plan for long term needs by funding both capital and repair reserves. We will continue to payoff outstanding long-term debt, whenever applicable, and to strive to become debt-free as soon as possible for the benefit of the local taxpayers.
- The educational instruction model, along with changes in delivery methods, have resulted in a shift towards more technology initiatives and systems. We continue to reinvent the educational platform to help increase student engagement and provide resources whenever possible. Also, the District has instituted increased mental health and support staff to help both student and staff alike. We anticipate graduation rates to flatline or decline once the state waivers are complete.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

**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:

Business Office  
William Floyd Union Free School District  
240 Mastic Beach Road  
Mastic Beach, New York 11951

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Net Position  
Governmental Activities  
June 30, 2022

Assets:	
Cash:	
Unrestricted	\$ 48,010,722
Restricted	66,014,881
Receivables:	
State and Federal sources	12,821,194
Due from other governments	10,945,000
Accounts receivable	368,072
Inventory	80,302
Capital assets, net	234,088,704
Net pension assets - proportionate shares	<u>94,912,761</u>
Total assets	<u>467,241,636</u>
Deferred outflows of resources:	
Deferred charges on refunding of debt	131,357
Pensions	59,444,133
Other postemployment benefits	<u>175,536,443</u>
Total deferred outflows of resources	<u>235,111,933</u>
Liabilities:	
Payables:	
Accounts payable	10,116,838
Accrued liabilities	3,751,964
Due to teachers' retirement system	10,691,760
Due to employees' retirement system	421,334
Unearned revenue	13,304,511
	(Continued)

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Net Position  
Governmental Activities, Continued

Liabilities continued:	
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	\$ 2,815,000
Installment purchase debt	775,677
Capital lease obligations	1,397,851
Due and payable after one year:	
Bonds payable	10,465,000
Installment purchase debt	10,891,767
Capital lease obligations	2,064,127
Total OPEB liability	301,990,050
Compensated absences	9,708,798
Workers' compensation	<u>3,183,902</u>
Total liabilities	<u>381,578,579</u>
Deferred inflows of resources:	
Pensions	114,602,980
Other postemployment benefits	<u>132,520,688</u>
Total deferred inflows of resources	<u>247,123,668</u>
Net position:	
Net investment in capital assets	229,348,834
Restricted	56,883,679
Unrestricted (deficit)	<u>(212,581,191)</u>
Total net position	<u>\$ 73,651,322</u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Activities  
Governmental Activities  
Year ended June 30, 2022

		Program Revenue			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
Functions/programs:		<u>Services</u>	<u>Grants</u>	<u>Grants</u>	<u>Changes in</u>
					<u>Net Position</u>
General support	\$ 28,158,037	-	-	-	(28,158,037)
Instruction	198,760,819	253,733	16,869,250	-	(181,637,836)
Pupil transportation	21,603,324	-	-	-	(21,603,324)
Community services	77,900	-	-	-	(77,900)
Interest	930,796	-	-	-	(930,796)
Food service program	<u>5,975,770</u>	<u>424,950</u>	<u>7,211,176</u>	<u>-</u>	<u>1,660,356</u>
Total functions and programs	<u>\$ 255,506,646</u>	<u>678,683</u>	<u>24,080,426</u>	<u>-</u>	<u>(230,747,537)</u>
General revenue:					
Real property taxes					86,819,541
STAR and other real property tax items					11,377,729
Use of money and property					226,440
Sale of property and compensation for loss					167,618
State sources					144,685,006
Medicaid assistance					1,303,876
Miscellaneous					<u>2,430,964</u>
Total general revenue					<u>247,011,174</u>
Change in net position					16,263,637
Net position at beginning of year					<u>57,387,685</u>
Net position at end of year					<u>\$ 73,651,322</u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	<u>General</u>	<u>School Lunch</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Miscellaneous</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Cash:						
Unrestricted	\$ 34,737,785	4,123,271	2,594,662	6,555,004	-	48,010,722
Restricted	56,501,700	-	-	9,131,217	381,964	66,014,881
Receivables:						
Due from other funds	6,934,860	-	371,262	750,000	15	8,056,137
State and Federal sources	6,637,046	1,228,975	4,955,173	-	-	12,821,194
Accounts receivable	368,072	-	-	-	-	368,072
Inventory	-	80,302	-	-	-	80,302
Total assets	<u>\$ 105,179,463</u>	<u>5,432,548</u>	<u>7,921,097</u>	<u>16,436,221</u>	<u>381,979</u>	<u>135,351,308</u>
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Payables:						
Accounts payable	6,805,688	354,258	1,306,331	1,650,561	-	10,116,838
Accrued liabilities	3,684,846	7,445	22,363	-	-	3,714,654
Due to other funds	1,739,971	90,573	5,606,443	619,150	-	8,056,137
Due to teachers' retirement system	10,691,760	-	-	-	-	10,691,760
Due to employees' retirement system	421,334	-	-	-	-	421,334
Unearned revenue	12,184,408	134,143	985,960	-	-	13,304,511
Total liabilities	<u>35,528,007</u>	<u>586,419</u>	<u>7,921,097</u>	<u>2,269,711</u>	<u>-</u>	<u>46,305,234</u>
Fund balance:						
Nonspendable	-	80,302	-	-	-	80,302
Restricted	56,501,700	-	-	9,131,217	381,979	66,014,896
Assigned	2,548,850	4,765,827	-	5,035,293	-	12,349,970
Unassigned	10,600,906	-	-	-	-	10,600,906
Total fund balance	<u>69,651,456</u>	<u>4,846,129</u>	<u>-</u>	<u>14,166,510</u>	<u>381,979</u>	<u>89,046,074</u>
Total liabilities and fund balance	<u>\$ 105,179,463</u>	<u>5,432,548</u>	<u>7,921,097</u>	<u>16,436,221</u>	<u>381,979</u>	<u>135,351,308</u>

See accompanying notes to financial statements.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
June 30, 2022

Total governmental fund balance		\$ 89,046,074
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The assets consist of:		
Historical cost	\$410,886,106	
Accumulated depreciation	<u>(176,797,402)</u>	
Total capital assets		234,088,704
Long-term receivables have not matured in the current period and therefore are not reported in the funds.		
		10,945,000
Some deferred inflows of resources and deferred outflows of resources are not reported in the funds. These consist of the following:		
Deferred outflows of resources - pensions	59,444,133	
Deferred inflows of resources - pensions	(114,602,980)	
Deferred outflows of resources - OPEB	175,536,443	
Deferred inflows of resources - OPEB	(132,520,688)	
Deferred charges on refunding of debt	<u>131,357</u>	(12,011,735)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year end consist of:		
Accrued interest	(37,310)	
Bonds payable	(13,280,000)	
Installment purchase debt	(11,667,444)	
Leases	(3,461,978)	
Total OPEB liability	(301,990,050)	
Compensated absences	(9,708,798)	
Workers' compensation	<u>(3,183,902)</u>	(343,329,482)
The District's proportionate share of its net pension liabilities are not current period items and therefore are not reported in the governmental funds.		
Net pension asset - proportionate share - TRS	91,492,280	
Net pension asset - proportionate share - ERS	<u>3,420,481</u>	<u>94,912,761</u>
Total net position		<u>\$ 73,651,322</u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year ended June 30, 2022

	<u>General</u>	<u>School Lunch</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Miscellaneous</u>	<u>Total Governmental Funds</u>
Revenue:						
Real property taxes	\$86,819,541	-	-	-	-	86,819,541
STAR and other real property tax items	11,377,729	-	-	-	-	11,377,729
Charges for services	253,733	-	-	-	-	253,733
Use of money and property	224,408	1,940	-	-	92	226,440
Sale of property and compensation for loss	167,618	-	-	-	-	167,618
Miscellaneous	2,689,373	12,155	185,388	-	99,048	2,985,964
State sources	144,685,006	145,770	3,220,733	-	-	148,051,509
Federal sources	1,530,113	7,065,406	13,422,280	-	-	22,017,799
School lunch sales	-	424,950	-	-	-	424,950
Total revenue	<u>247,747,521</u>	<u>7,650,221</u>	<u>16,828,401</u>	<u>-</u>	<u>99,140</u>	<u>272,325,283</u>
Expenditures:						
General support	20,776,472	-	-	9,659,083	-	30,435,555
Instruction	122,756,349	-	14,020,645	-	-	136,776,994
Pupil transportation	20,833,660	-	653,685	-	-	21,487,345
Community services	18,000	-	-	-	59,900	77,900
Food service program	-	5,960,035	-	-	-	5,960,035
Employee benefits	55,249,909	35,582	2,612,752	-	-	57,898,243
Debt service - principal	17,262,196	-	-	-	-	17,262,196
Debt service - interest	820,813	-	-	-	-	820,813
Total expenditures	<u>237,717,399</u>	<u>5,995,617</u>	<u>17,287,082</u>	<u>9,659,083</u>	<u>59,900</u>	<u>270,719,081</u>
Excess (deficiency) of revenue over expenditures	<u>10,030,122</u>	<u>1,654,604</u>	<u>(458,681)</u>	<u>(9,659,083)</u>	<u>39,240</u>	<u>1,606,202</u>
Other financing sources (uses):						
Right to use asset	453,458	-	-	-	-	453,458
Proceeds of library bond issuance, net	11,471,124	-	-	-	-	11,471,124
Payments to library of bond proceeds	(11,471,124)	-	-	-	-	(11,471,124)
Transfers in	-	-	458,681	750,000	-	1,208,681
Transfers (out)	(1,208,681)	-	-	-	-	(1,208,681)
Total other financing sources (uses)	<u>(755,223)</u>	<u>-</u>	<u>458,681</u>	<u>750,000</u>	<u>-</u>	<u>453,458</u>
Excess of revenue and other sources over expenditures and other (uses)	9,274,899	1,654,604	-	(8,909,083)	39,240	2,059,660
Fund balance at beginning of year	<u>60,376,557</u>	<u>3,191,525</u>	<u>-</u>	<u>23,075,593</u>	<u>342,739</u>	<u>86,986,414</u>
Fund balance at end of year	<u>\$69,651,456</u>	<u>4,846,129</u>	<u>-</u>	<u>14,166,510</u>	<u>381,979</u>	<u>89,046,074</u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Reconciliation of the Statement of Revenue, Expenditures and  
Changes in Fund Balances - Governmental Funds to the Statement of Activities  
Year ended June, 30 2022

Net change in fund balance		\$ 2,059,660
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Additions of assets, net	\$ 10,349,285	
Depreciation and amortization	<u>(9,454,994)</u>	894,291
Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. The issuance of debt is recorded as a revenue in the funds but reported as a long-term liability in the statement of net position. Also, the governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt principal payments	16,707,196	
Right to use asset	(453,458)	
Amortization of deferred charges	<u>(131,360)</u>	16,122,378
Compensated absences represent the value of the earned and unused portion of the liability for the vacation and compensatory time. They are reported in the statement of activities but do not require the use of the current financial resources and therefore are not reported as expenditures in the governmental funds.		
		(727,427)
Change in workers' compensation unfunded liability		
		366,214
Some items reported in the statement of activities related to pensions do not require the use of current period resources and are not reported as revenues or expenditures in the governmental funds.		
Change in net pension liability - proportionate share - TRS	106,233,591	
Change in deferred outflows of resources - pensions	(93,682)	
Change in net pension liability - proportionate share - ERS	3,464,436	
Change in deferred inflows of resources - pensions	<u>(92,829,770)</u>	16,774,575
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		
		21,377
Other postemployment benefits represent the value of the unfunded portion of the cost of benefits for current and former employees upon retirement. They are reported in the statement of activities but do not require the use of the current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in deferred outflows - OPEB	91,881,396	
Change in total OPEB liability	(37,770,107)	
Change in deferred inflows - OPEB	<u>(73,358,720)</u>	<u>(19,247,431)</u>
Change in net position of governmental activities		<u>\$ 16,263,637</u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Change in Fiduciary Net Position  
Fiduciary Fund  
Year ended June 30, 2022

	<u>Custodial Fund</u>
Additions - library taxes	\$ 10,303,030
Deductions - library taxes	<u>10,303,030</u>
Change in net position	-
Fiduciary net position at beginning of the year	<u>-</u>
Fiduciary net position at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies

The basic financial statements of William Floyd Union Free School District (the District) have been prepared in accordance 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 State). The District is an independent entity governed by an elected Board of Education (the Board) consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following entity is included in the District's financial statements:

Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. The District reports these assets held by it as agent for the extraclassroom organizations as a special revenue fund. Separate audited financial statements of the extraclassroom activity funds can be found at the District's Business Office.

(b) Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Eastern Suffolk (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

## WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (b) Joint Venture, Continued

BOCES are organized under Section §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation under Section §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n(a) of the New York State General Municipal Law.

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

During the year, the District was billed \$20,313,356 for BOCES administrative and program costs and recognized \$3,050,451 in revenue as the District's share of BOCES aid.

Participating school districts issue debt on behalf of BOCES. As of year end, there was no debt issued by the District on behalf of BOCES.

Financial statements for Eastern Suffolk BOCES are available from the business office located at 201 Sunrise Highway, Patchogue, New York 11772-1868.

##### (c) Basis of Presentation

###### (i) District-Wide Statements

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

The statement of activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue include: (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants, contributions and other revenues that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including real property taxes and state aid, is presented as general revenue.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(ii) Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund type, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All funds of the District are presented as major funds. The following comprise the District's funds:

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 District's primary operating fund and is used to account for and report all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three special revenue funds:

Special Aid Fund - is used to account for and report the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes.

School Lunch Fund - is used to account for and report the activities of the school lunch operations.

Miscellaneous Fund - is used to account for and report resources over which the District exercises administrative control but do not belong to the District.

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

Fiduciary Fund - is used to account for activities in which the District acts as trustee or agent 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. There is one fiduciary fund:

Custodial Fund - this fund is used to account for monies and other resources held by the District in a trustee or agent capacity pending payment to the applicable agencies.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus and Basis of Accounting

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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, grants and donations. On an accrual basis, revenue from real property is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The governmental funds statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenue is collected within 90 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, claims and judgments, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(e) Estimates

The preparation of financial statements in accordance with 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 contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

(f) Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. State law governs the District's investment policies. 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 United States Treasury, United States Agencies, repurchase agreements, and obligations of the State or its localities.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Cash and Cash Equivalents, Continued

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

(g) Real Property Taxes

Real property taxes are levied annually by the Board. Taxes are collected from December to June. Uncollected real property taxes are subsequently enforced by Suffolk County in which the District is located.

(h) Receivables

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

(i) 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.

The amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in note 10 to the financial statements.

(j) Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received.

The District uses a capitalization threshold of \$2,000 (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Estimated useful life</u>	<u>Depreciation Method</u>
Land improvements	20 years	Straight-Line
Furniture, equipment and vehicles	5-20 years	Straight-Line
Buildings and improvements	40 years	Straight-Line

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Capital Assets, Continued

During the year ended June 30, 2022, the District adopted provisions of GASB Statement No. 87 - "Leases." The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. See notes 5 and 6 of the financial statements for the impact of implementation on the financial statements.

(k) Inventory

The inventory, which consists of surplus food in the school lunch fund, is recorded at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

A reserve for nonspendable assets (inventory) has been recognized to signify that a portion of fund balance is not available for subsequent expenditures.

(l) Deferred Outflow of Resources and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has three items that qualify for reporting in this category, the first of which is deferred charges on refunding of debt reported in the District-Wide statement of net position in the amount of \$131,357. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-Wide statement of net position in the amount of \$59,444,133. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included in this item are the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third is related to other postemployment benefits reported in the statement of net position in the amount of \$175,536,443. This represents differences between expected and actual experience and changes of assumptions or other inputs.

Deferred inflows of resources are reported when revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arises when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. The District has

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Deferred Outflow of Resources and Inflows of Resources, Continued

reported deferred inflows of \$114,602,980 for pensions, and \$132,520,688 for other postemployment benefits. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the deferred inflow of resources is removed and expenses are reduced.

(m) Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

(n) Retirement Plans

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

(o) Short-Term Debt

The District may issue Tax Anticipation Notes (TAN) in anticipation of the receipt of revenue. 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.

(p) Other Postemployment Benefits

In addition to providing pension benefits, the District provides health insurance coverage for retired employees. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District.

(q) Budgetary Procedures and Budgetary Accounting

The District administration prepares a proposed budget for approval by the Board for the general fund for which a legal (appropriated) budget is adopted.

Appropriations are adopted at the program line item level.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(q) Budgetary Procedures and Budgetary Accounting, Continued

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. 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.

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

(r) Budget Revisions

The Board of Education voted to amend the general fund budget as follows:

Original budget	\$ 254,152,612
Budget revisions	<u>13,193,956</u>
Final budget	\$ <u>267,346,568</u>

(s) 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 reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

(t) Unearned Revenue

Section 9 of the Suffolk County Tax Act allows the Board to raise an additional tax not more than 30% of the tax levy for the purposes of a contingency fund. At June 30, 2022, the District has set aside \$12,000,000 for this purpose. This amount is recorded as unearned revenue as required by the New York State Comptroller.

Also included in unearned revenue is \$184,408 for revisions to prior years' state aid and \$1,120,103 from grants.

(u) Equity Classifications

(i) District-Wide Statements

In the District-Wide statements there are three classes of net position:

Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisitions, construction and improvements of those assets.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(i) District-Wide Statements, Continued

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

Unrestricted - reports the balance of net position that does not meet the definition of the above two classifications.

(ii) Fund Statements

The District implemented GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

There are five classifications for fund balance as detailed below, however, in the fund financial statements there are four classifications presented:

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 and prepaids.

Restricted - This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. 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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(ii) Fund Statements, Continued

Unemployment Insurance Reserve, Continued

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 to the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. The reserve is accounted for in the General Fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Amounts reserved for ERS and TRS were \$11,790,702 and \$7,098,093 respectively, at June 30, 2022. The reserve is accounted for in the General Fund.

Insurance Reserve

Insurance reserve (GML §6-m) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is 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 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.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(ii) Fund Statements, Continued

Repair Reserve

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. Voter approval is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Capital Reserve

Capital reserve (GML §6-c) is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities. This reserve is accounted for in the General Fund.

Reserve for Scholarships

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

Reserve for Extraclassroom Activities

Amounts restricted for extraclassroom activities is used to account for net amount available for student clubs and organizations. This reserve is accounted for in the Miscellaneous Fund.

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority; i.e. the Board of Education. The District has no committed fund balances as of June 30, 2022.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances other than in the capital fund are classified as assigned fund balance in the respective fund. The amount appropriated for the subsequent year's budget of the general fund is also classified as assigned fund balance in the General Fund.

Unassigned - Includes all other net position that do not meet the definition of the above classifications and are deemed to be available for general use by the District. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, then it may be necessary to report negative unassigned fund balances in the respective fund.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

(iii) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of expenditures to which the fund balance classification will be charged.

(v) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 30, 2023.

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

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



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements, Continued

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the statement of revenue, expenditures and changes in fund balance and the statements of activities fall into one of three broad categories.

Long-term Revenue and Expense Differences

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

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 purchase of capital items in the fund statements and depreciation expense on those items as recorded in the statement of activities.

Long-term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

(3) Cash

(a) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a specific policy for custodial credit risk; New York State statutes govern the District's investment policies, as discussed previously in these notes.

As of June 30, 2022, total bank balances of \$116,088,413 were fully collateralized.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(3) Cash, Continued

(b) Restricted Cash

Restricted cash represents the following:

<u>General Fund</u>	<u>Amount</u>
Reserve for workers' compensation	\$ 8,526,756
Reserve for unemployment insurance	200,737
Reserve for retirement contribution - ERS	11,790,702
Subreserve for retirement contributions - TRS	7,098,093
Reserve for insurance	3,000,000
Reserve for employee benefit accrued liability	9,885,412
Reserve for repairs	5,000,000
Reserve for capital projects	<u>11,000,000</u>
	<u>56,501,700</u>
 <u>Capital Projects Fund</u>	
Restricted for installment purchase debt	<u>9,131,217</u>
 <u>Miscellaneous Fund</u>	
Reserve for scholarships	139,846
Reserve for extraclassroom activities	<u>242,118</u>
	<u>381,964</u>
	<u>\$ 66,014,881</u>

(4) Receivables

Major receivables recorded by the District at June 30, 2022 consisted of the following:

(a) State and Federal Sources - Represents amounts due from other units of government, such as New York State and other local governments. Amounts due to the District at June 30, 2022 are listed below:

General Fund - State sources receivable:

State aid - Excess cost	\$ 3,398,744
State aid - BOCES	3,050,451
State aid - Other	<u>187,851</u> \$ 6,637,046
 School Lunch Fund - State and Federal sources receivable -	
State and Federal grants related to food service program	1,228,975
 Special Aid Fund - State and Federal sources receivable -	
State and Federal grants - various	<u>4,955,173</u>
Total	<u>\$ 12,821,194</u>

(b) Other Receivables - Represents amounts due for out-of-district billings (in the General Fund) and other minor charges or refunds.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(5) Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Balance</u> <u>June 30, 2021*</u>	<u>Additions</u>	<u>Adjustments/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 35,132,218	-	-	35,132,218
Construction in progress	<u>42,328,164</u>	<u>9,659,083</u>	-	<u>51,987,247</u>
Total capital assets not being depreciated	<u>77,460,382</u>	<u>9,659,083</u>	-	<u>87,119,465</u>
Capital assets being depreciated:				
Buildings and improvements	308,266,027	2,180	-	308,268,207
Furniture, equipment and vehicles	10,507,712	256,554	(77,450)	10,686,816
Right to use lease assets	<u>4,358,160</u>	<u>453,458</u>	-	<u>4,811,618</u>
Total capital assets being depreciated and amortized	<u>323,131,899</u>	<u>712,192</u>	<u>(77,450)</u>	<u>323,766,641</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	160,661,325	7,428,108	-	168,089,433
Furniture, equipment and vehicles	6,736,543	687,958	(55,460)	7,369,041
Right to use lease assets	<u>-</u>	<u>1,338,928</u>	-	<u>1,338,928</u>
Total accumulated depreciation and amortization	<u>167,397,868</u>	<u>9,454,994</u>	<u>(55,460)</u>	<u>176,797,402</u>
Total capital assets, being depreciated and amortized, net	<u>155,734,031</u>	<u>(8,742,802)</u>	<u>(21,990)</u>	<u>146,969,239</u>
Capital assets, net	<u>\$ 233,194,413</u>	<u>916,281</u>	<u>(21,990)</u>	<u>234,088,704</u>

\*Restated for implementation of GASB Statement No. 87.

Depreciation and amortization expense was charged to governmental functions as follows:

General support	\$ 1,974,992
Instruction	7,401,880
Food service	<u>78,122</u>
Total depreciation and amortization expense	<u>\$ 9,454,994</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(6) Long-term Debt

Long-term liability balances and activity for the year ended June 30, 2022, are as follows:

	Beginning Balance*	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Serial bonds	\$ 4,560,000	11,500,000	2,780,000	13,280,000	2,815,000
Installment purchase debt	24,800,000	-	13,132,556	11,667,444	775,677
Leases	4,358,160	453,458	1,349,640	3,461,978	1,397,851
Net pension liability - proportionate share - ERS	43,955	-	43,955	-	-
Net pension liability - proportionate share - TRS	14,741,311	-	14,741,311	-	-
Total OPEB liability	264,219,943	37,770,107	-	301,990,050	-
Compensated absences	8,981,371	727,427	-	9,708,798	-
Workers' compensation	3,550,116	-	366,214	3,183,902	-
Total long-term liabilities	<u>\$ 325,254,856</u>	<u>50,450,992</u>	<u>32,413,676</u>	<u>343,292,172</u>	<u>4,988,528</u>

\* Restated for implementation of GASB Statement No. 87.

(a) Serial Bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, are full faith and credit debt of the local government. The provision to be made in the general fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Serial Bonds Debt Maturity Schedule - The following is a statement of serial bonds with corresponding maturity schedules:

<u>Serial Bonds</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding at 6/30/22</u>
2016 Refunding	07/27/16	\$ 6,600,000	12/15/22	5.00%	2,335,000
2021 Library	11/2/21	11,500,000	6/15/41	2.00-2.25%	<u>10,945,000</u>
					<u>\$ 13,280,000</u>

Interest on serial bonds for the year was composed of:

Interest paid	\$ 756,443
Plus: Interest accrued in the current year	32,670
Amortization of deferred charges	131,360
Less interest accrued in the prior year	<u>(58,687)</u>
Total interest expense on long-term debt	<u>\$ 861,786</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(a) Serial Bonds, Continued

The following is a summary of the maturity of long-term indebtedness:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,815,000	394,253
2024	490,000	321,478
2025	500,000	306,778
2026	510,000	291,778
2027	520,000	276,478
2028 - 2032	2,750,000	1,142,391
2033 - 2037	3,035,000	713,241
2038 - 2041	<u>2,660,000</u>	<u>222,947</u>
Total	<u>\$ 13,280,000</u>	<u>3,669,344</u>

On November 2, 2021, the District issued \$11,500,000 in serial bonds for a facilities expansion project for the Mastics-Moriches-Shirley Community Library (the Library). The net proceeds of the bonds were turned over to the Library. The District is required to issue the bonds in its name and furnish the proceeds to the Library in accordance with Section 260 of Education Law. The Library is required to include in its budget a sufficient amount to reimburse the District for all principal and interest payments on the bonds. The bonds earn interest at 2.00% - 2.25%, with principal payments due annually on June 15<sup>th</sup> and interest payments due semi-annually on June 15<sup>th</sup> and December 15<sup>th</sup> until maturity on June 15, 2041.

The charges to refund bonds are recorded as deferred outflows of resources on the District-Wide financial statements. The charges are being amortized using the straight-line method, the remaining time to maturity of the bonds. The current year amortization is \$131,360 and is included as an increase to interest expense on the statement of activities.

Deferred charges	\$ 919,517
Less accumulated amortization	<u>(788,160)</u>
Net unamortized charges	\$ <u>131,357</u>

In the event that the District were to default on bond principal or interest payments, a court has the power, in proper and appropriate proceedings brought by the bond owners, to render judgment against the District. A court has the power to order payment of such bonds or notes from funds available or to order the District to take all lawful action to obtain the funds, including the raising of the funds in the next annual tax levy. The bond owners may also file with the New York State Comptroller a verified statement alleging default in the payment of principal or interest. The New York State Comptroller will have a duty to investigate the circumstances of the alleged default and prepare determinations from their office. The New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of the defaulted principal and interest.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(a) Serial Bonds, Continued

The bonds are direct obligations of the District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

(b) Installment Purchase Debt

The District entered into a lease-purchase agreement (energy performance contract) (the contract) June 15, 2020 in the amount of \$24,800,000 to provide financing for the acquisition and installation of various energy performance equipment. Principal and interest are due semi-annually in the amount of \$1,046,665 beginning June 1, 2021 with final payment due June 1, 2035. The contract carries an interest rate of 2.38%. Proceeds of the contract were deposited with an escrow agent in the District's name. Unspent amounts, including interest were \$9,131,217 at June 30, 2022 and have been classified as restricted in the balance sheet - governmental funds and as a component of net investments in capital assets on the statement of net position.

Future minimum payments are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 775,677	273,097	1,048,774
2024	794,248	254,526	1,048,774
2025	813,264	235,510	1,048,774
2026	832,734	216,040	1,048,774
2027	852,672	196,102	1,048,774
2028-2032	4,579,523	664,347	5,243,870
2033-2035	<u>3,019,326</u>	<u>126,996</u>	<u>3,146,322</u>
	<u>\$ 11,667,444</u>	<u>1,966,618</u>	<u>13,634,062</u>

In the event of default, the lessor may (a) declare all payments immediately due and payable from properly appropriated and/or legally available funds; (b) repossess any or all of the equipment; (c) direct the escrow agent to pay all amounts remaining in the escrow account to pay certain costs/expenses with residual amounts paid to the District; or (d) take any other remedy available at law or in equity. Each of the forgoing remedies is cumulative and may be enforced separately or concurrently.

(c) Leases

The District leases equipment under various lease agreements that expire May 2027. The gross amount of the equipment under the leases as of June 20, 2022 was \$4,811,618. Accumulated amortization on the equipment amounted to \$1,338,928 at June 30, 2022. Amortization of this leased equipment was charged to governmental functions on the statement of revenue, expenses and changes in net position.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(6) Long-term Debt, Continued

(c) Leases, Continued

The total of the finance lease for the equipment for the year ended June 30, 2022 amounted to \$3,461,978. The principal and interest payments on the leases for the year ended March 31, 2022 totaled \$1,349,640 and \$72,197, respectively.

Future minimum payments under the finance agreement are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,397,851	63,717
2024	1,075,080	37,070
2025	763,263	17,864
2026	177,575	5,136
2027	<u>48,209</u>	<u>828</u>
	<u>\$ 3,461,978</u>	<u>124,615</u>

(d) Compensated Absences

Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

(7) Pension Obligations

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

## WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (7) Pension Obligations, Continued

##### (a) Plan Descriptions and Benefits Provided, Continued

###### Employees' Retirement System (ERS)

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

##### (b) Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems; fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

At June 30, 2022, the District reported the following assets for its proportionate share of the net pension asset for each of the Systems. The net pension assets were measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension assets used to calculate the net pension assets were determined by actuarial valuations. The District's proportion of the net pension assets was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(b) Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	4/01/2021	6/30/2020
Measurement date	3/31/2022	6/30/2021
Net pension asset	\$3,420,481	91,492,280
District's proportion of the Plan's net pension assets	0.0418429%	0.527971%
Change in proportion since the prior measurement date	(0.0023001)	(0.005502)

For the year ended June 30, 2022, the District recognized pension expense of \$263,074 for ERS and \$(5,435,919) for TRS in the statement of activities.

At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 259,038	12,611,240	335,987	475,342
Changes of assumptions	5,708,400	30,093,723	96,323	5,329,155
Net difference between projected and actual earnings on pension plan investments	-	-	11,200,643	95,756,137
Changes in proportion and differences between the District's contributions and proportionate share of contributions	519,727	305,963	318,550	1,090,843
District's contributions subsequent to the measurement date	<u>421,334</u>	<u>9,524,708</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,908,499</u>	<u>52,535,634</u>	<u>11,951,503</u>	<u>102,651,477</u>

District contributions subsequent to the measurement date will be recognized as an addition to the net pension assets in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(b) Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ (768,526)	(12,001,244)
2024	(1,210,833)	(14,043,426)
2025	(2,896,616)	(17,694,434)
2026	(588,363)	(23,223,204)
2027	-	4,260,658
Thereafter	_____ -	3,061,099
	<u>\$ (5,464,338)</u>	<u>(59,640,551)</u>

(c) 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:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Inflation	2.70%	2.40%
Cost of living adjustments	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience. The previous actuarial valuation as of June 30, 2019 used the Society of Actuaries' Schedule MP-2019.

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

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(c) Actuarial Assumptions, Continued

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

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

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

Measurement date	<u>ERS</u>		<u>TRS</u>	
	Marh 31, 2022		June 30, 2021	
	<u>Long-term expected real rate of return*</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>	<u>Target allocation</u>
Asset class:				
Domestic equity	3.30%	32%	6.80%	33%
International equity	5.85%	15%	7.60%	16%
Real estate equity	5.00%	9%	6.50%	11%
Global equity	-	-	7.10%	4%
Domestic fixed income	-	-	1.30%	16%
Global bonds	-	-	0.80%	2%
High-yield bonds	-	-	3.80%	1%
Real estate debt	-	-	3.30%	7%
Private equity	6.50%	10%	10.00%	8%
Private debt	-	-	590.00%	1%
Real assets	5.80%	3%		-
Fixed income	-	23%		-
Opportunistic portfolio/ARS portfolio	4.10%	3%		-
Credit	3.78%	4%		-
Cash	(1.00%)	1%	(0.20%)	1%
		<u>100%</u>		<u>100.00%</u>

\* Real rates of return are net of a long-term inflation assumption of 2.5% for ERS and 2.4% for TRS.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(d) Discount Rate

The discount rate used to measure the total pension liabilities was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rates assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net positions were 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 liabilities.

(e) Sensitivity of the Proportionate Share of the Net Pension Asset to the Discount Rate

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (8,804,282)	3,420,481	13,645,906
TRS			
Employer's proportionate share of the net pension asset	\$ 9,600,781	91,492,280	160,316,143

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2022	6/30/2021
Employers' total pension liability	\$ (223,875)	(130,819)
Plan fiduciary net position	<u>232,049</u>	<u>148,148</u>
Employers' net pension asset	\$ <u>8,174</u>	<u>17,329</u>
Ratio of plan fiduciary net position to the employers' total pension asset	103.65%	113.20%

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(7) Pension Obligations, Continued

(g) Payables to the Pension Plan

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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$421,334. This amount has been recorded as an expenditure in the governmental fund statements and a deferred outflow of resources in the statement of net position.

TRS employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued employer retirement contributions and employee retirement contributions as of June 30, 2022 amounted to \$9,524,708 and \$1,167,052, respectively. The accrued employer contributions have been recorded as an expenditure in the governmental fund statements and a deferred outflow of resources in the statement of net position.

(8) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

The District provides medical insurance and other fringe benefits to its employees and their dependents. For medical and prescription drug insurance, all active employees and retirees are covered by a self-insured plan. The District also provides vision and dental insurance to certain active and retired employee groups. Medical and prescription drug benefits are offered to retirees on an District-subsidized basis. Upon attaining age 65, or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance.

A surviving spouse may continue to be covered, but at his/her own expense.

The District does not reimburse any Medicare Part B premiums to retirees, spouses or surviving spouses.

The District recognizes the cost of providing health insurance annually as expenditures in the funds as payments are made. For the year ended June 30, 2022, the District recognized approximately \$8.4 million in benefit payments for retirees currently receiving these benefits and all active employees who will be eligible in the future to receive these benefits.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(8) Other Postemployment Benefits (OPEB), Continued

(b) Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	429
Active employees	<u>1,251</u>
	<u>1,680</u>

(c) Total OPEB Liability

The District's total OPEB liability of \$301,990,050 was measured as of June 30, 2022 and was determined by an actuarial valuation as June 30, 2021 using census data and recent health care cost information provided by the District and the results projected to the June 30, 2022 measurement date.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Payroll growth	ERS - 3.00% - 8.00%
	TRS - 2.90% - 10.00%
Discount rate	3.54%
Healthcare cost trend rates	5.75% for 2023 decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index. The previous measurement as of June 30, 2021 used a discount rate of 2.16%.

The mortality table used in the June 30, 2020 valuation was the Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2021.

(e) Changes in the Total OPEB Liability

Changes for the year:

Service cost	\$ 16,504,998
Interest on total OPEB liability and service cost	5,973,805
Changes of benefit terms	(160,380)
Difference between expected and actual experience	113,586,262
Changes of assumptions or other inputs	(89,770,129)
Benefit payments	<u>(8,364,449)</u>
Net change in total OPEB liability	37,770,107
Total OPEB liability as of June 30, 2021	<u>264,219,943</u>
Total OPEB liability as of June 30, 2022	\$ <u>301,990,050</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(8) Other Postemployment Benefits (OPEB), Continued

(f) 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% lower (2.54%) or 1% higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ <u>366,326,952</u>	<u>301,990,050</u>	<u>252,082,366</u>

(g) 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 total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ <u>240,566,679</u>	<u>301,990,050</u>	<u>386,173,953</u>

(h) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$27,611,880. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 102,227,636	46,464,750
Changes in assumptions or other inputs	<u>73,308,807</u>	<u>86,055,938</u>
	\$ <u>175,536,443</u>	<u>132,520,688</u>

Amounts reported as deferred inflows of resources related to other postemployment benefits will be recognized as follows:

<u>Year ending</u>	
2023	\$ 5,293,457
2024	5,293,457
2025	5,293,457
2026	5,293,457
2027	5,293,457
Thereafter	<u>16,548,470</u>
Total	\$ <u>43,015,755</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(9) 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. Settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

(b) Self-Insured Health Insurance

The District has chosen to establish a self-funded health and dental benefit program for its employees. The benefit programs administrator is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30. The program is accounted for in the general fund of the District. At year-end, the District has accrued a liability of \$2,364,161, which represents reported and unreported claims, which were incurred on or before year end, but which were not paid by the District as of that date.

Changes in the balances of claims liabilities during the year are as follows:

	<u>Beginning of Year Liability</u>	<u>Incurred Claims Including IBNRs</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2019-2020	\$ <u>1,887,650</u>	<u>28,126,938</u>	<u>28,141,059</u>	<u>1,873,529</u>
2020-2021	\$ <u>1,873,529</u>	<u>29,748,083</u>	<u>29,878,772</u>	<u>1,742,840</u>
2021-2022	\$ <u>1,742,840</u>	<u>33,778,051</u>	<u>33,156,730</u>	<u>2,364,161</u>

(10) Interfund Transactions

<u>Fund</u>	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers in</u>	<u>Transfers out</u>
General	\$ 6,934,860	1,739,971	-	1,208,681
School Lunch	-	90,573	-	-
Special Aid	371,262	5,606,443	458,681	-
Capital Projects	750,000	619,150	750,000	-
Miscellaneous	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total activities	\$ <u>8,056,137</u>	<u>8,056,137</u>	<u>1,208,681</u>	<u>1,208,681</u>



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(10) Interfund Transactions, Continued

- The District typically transfers from the general fund to the special aid fund, as a required local match for State grants.
- All interfund payables are expected to be repaid within one year.
- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

(11) Fund Balance

The following is the disaggregation of the fund balance that is reported in summary on the governmental funds balance sheet:

	General Fund	School Lunch Fund	Capital Projects Fund	Miscellaneous Fund	Total
Nonspendable - inventory	\$ -	80,302	-	-	80,302
Restricted:					
Workers' compensation	8,526,756	-	-	-	8,526,756
Unemployment insurance	200,737	-	-	-	200,737
Retirement contribution - ERS	11,790,702	-	-	-	11,790,702
Retirement contribution - TRS	7,098,093	-	-	-	7,098,093
Insurance	3,000,000	-	-	-	3,000,000
Employee benefit accrued liability	9,885,412	-	-	-	9,885,412
Capital repair	5,000,000	-	-	-	5,000,000
Capital projects	11,000,000	-	-	-	11,000,000
Installment purchase debt	-	-	9,131,217	-	9,131,217
Scholarships	-	-	-	139,846	139,846
Extraclassroom activities	-	-	-	242,133	242,133
Total restricted	<u>56,501,700</u>	<u>-</u>	<u>9,131,217</u>	<u>381,979</u>	<u>66,014,896</u>
Assigned:					
General support	717,180	-	-	-	717,180
Instruction	1,831,670	-	-	-	1,831,670
School lunch fund	-	4,765,827	-	-	4,765,827
Capital projects	-	-	5,035,293	-	5,035,293
Total assigned	<u>2,548,850</u>	<u>4,765,827</u>	<u>5,035,293</u>	<u>-</u>	<u>12,349,970</u>
Unassigned	<u>10,600,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,600,906</u>
Total fund balance	<u>\$ 69,651,456</u>	<u>4,846,129</u>	<u>14,166,510</u>	<u>381,979</u>	<u>89,046,074</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(11) Fund Balance, Continued

The following is a summary of the change in reserve funds during the year ended June 30, 2022:

	<u>Balance at</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2022</u>
General Fund:				
Workers' compensation	\$ 4,522,816	5,131,512	1,127,572	8,526,756
Unemployment insurance	614,486	-	413,749	200,737
Retirement contribution - ERS	10,159,039	3,216,826	1,585,163	11,790,702
Retirement contribution - TRS	5,276,762	1,821,331	-	7,098,093
Insurance	2,800,944	199,056	-	3,000,000
Employee benefit accrued liability	6,256,634	3,628,778	-	9,885,412
Capital repair	1,617,876	3,382,124	-	5,000,000
Capital projects	<u>1,617,876</u>	<u>9,382,124</u>	<u>-</u>	<u>11,000,000</u>
Total general fund	\$ <u>32,866,433</u>	<u>26,761,751</u>	<u>3,126,484</u>	<u>56,501,700</u>

(12) Commitments and Contingencies

(a) Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

(b) Litigation

The District is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above-noted proceedings cannot be predicted, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District.

(13) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the District and its future results and financial position is not presently determinable.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(14) Cumulative Effect of Accounting Principle

For the year ended June 30, 2022, the District implemented GASB Statement No. 87 - "Leases." The implementation of this Statement resulted in reporting certain expenses as capital lease obligations as well as right-to-use assets. The District's net position at June 30, 2021 has been restated as follows:

Governmental Activities:

Net position at beginning of year, as previously stated		\$ 57,387,685
as previously stated		
Right to use lease assets	\$ 4,358,160	
Capital lease obligations	(4,358,160)	
GASB Statement No. 87 implementation		-
Net position at beginning of year, as restated		\$ <u>57,387,685</u>

(15) Subsequent Events

Management has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of Revenue, Expenditures, and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
Revenue:				
Local sources:				
Real property taxes	\$ 103,588,275	92,211,869	86,819,541	(5,392,328)
STAR and other real property tax items	18,292	11,394,698	11,377,729	(16,969)
Charges for services	120,000	120,000	253,733	133,733
Use of money and property	240,000	240,000	224,408	(15,592)
Sale of property and compensation for loss	7,500	77,155	167,618	90,463
Miscellaneous	915,000	922,634	2,689,373	1,766,739
State sources	143,072,540	143,072,540	144,685,006	1,612,466
Federal sources	<u>650,000</u>	<u>650,000</u>	<u>1,530,113</u>	<u>880,113</u>
Total revenue	248,611,607	248,688,896	247,747,521	(941,375)
Other financing sources - lease financing	<u>-</u>	<u>-</u>	<u>453,458</u>	<u>453,458</u>
Total revenue and other financing sources	248,611,607	248,688,896	<u>248,200,979</u>	<u>(487,917)</u>
Appropriated fund balance	1,500,000	14,616,667		
Appropriated reserves	1,200,000	1,200,000		
Prior year encumbrances	<u>2,841,005</u>	<u>2,841,005</u>		
Total revenue, appropriated fund balance and prior year encumbrances	<u>\$ 254,152,612</u>	<u>267,346,568</u>		

(Continued)

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance -  
 Budget and Actual - General Fund, Continued

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (Budgetary <u>Basis</u> )	Year-End <u>Encumbrances</u>	Final Budget Variance with Budgetary Actual and <u>Encumbrances</u>
Expenditures:					
General support:					
Board of education	\$ 91,725	107,725	82,754	-	24,971
Central administration	1,240,000	1,278,784	1,227,812	24,707	26,265
Finance	1,401,139	1,400,730	1,295,346	27,600	77,784
Staff	1,931,750	2,023,296	1,726,905	-	296,391
Central services	20,515,205	20,090,321	14,041,635	664,873	5,383,813
Special items	2,856,000	2,856,000	2,402,020	-	453,980
Instruction:					
Instruction, adm. and imp.	8,305,034	8,489,201	7,603,047	5,090	881,064
Teaching - regular school	67,139,611	66,995,581	62,706,003	272,573	4,017,005
Programs for children with special needs	46,322,978	46,189,995	40,505,322	764,684	4,919,989
Teaching - special schools	209,000	209,000	-	-	209,000
Instructional media	5,270,954	5,421,931	2,324,380	707,789	2,389,762
Pupil services	10,564,694	10,655,542	9,617,597	81,534	956,411
Pupil transportation	22,531,200	22,671,780	20,833,660	-	1,838,120
Community services	26,500	29,500	18,000	-	11,500
Employee benefits	58,834,597	58,898,293	55,249,909	-	3,648,384
Debt service:					
Debt service - principal	4,348,613	17,262,196	17,262,196	-	-
Debt service - interest	1,168,612	1,371,693	820,813	-	550,880
Total expenditures	252,757,612	265,951,568	237,717,399	2,548,850	25,685,319
Other financing uses - transfers to other funds	<u>1,395,000</u>	<u>1,395,000</u>	<u>1,208,681</u>	-	<u>186,319</u>
Total expenditures and other uses	<u>\$254,152,612</u>	<u>267,346,568</u>	<u>238,926,080</u>	<u>2,548,850</u>	<u>25,871,638</u>
Change in fund balance			9,274,899		
Fund balance at beginning of year			<u>60,376,557</u>		
Fund balance at end of year			<u>\$69,651,456</u>		

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of District's Proportionate Share of the Net Pension Asset/Liability  
 Year ended June 30, 2022

<u>TRS System</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset (liability)	0.527971%	0.533473%	0.521522%	0.513344%	0.507966%	0.514595%	0.511340%	0.506856%
The District's proportionate share of the net pension asset (liability)	\$ 91,492,280	(14,741,311)	13,549,166	9,282,622	3,861,273	(5,511,533)	53,111,952	56,460,619
The District's covered payroll	\$ 97,190,898	89,820,061	90,520,570	87,050,432	83,618,061	85,723,985	84,013,258	72,852,139
The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	94.14%	16.41%	14.97%	10.66%	4.62%	6.43%	63.22%	77.50%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
<u>ERS System</u>								
The District's proportion of the net pension asset (liability)	0.0418429%	0.0441430%	0.0461432%	0.0464505%	0.0464849%	0.4845180%	0.0045014%	0.0464036%
The District's proportionate share of the net pension asset (liability)	\$ 3,420,481	(43,955)	(12,218,976)	(3,291,161)	(1,500,274)	(4,552,636)	(7,224,935)	(1,567,627)
The District's covered payroll	\$ 14,336,217	14,628,963	14,520,169	14,455,636	13,410,943	13,614,952	11,940,136	12,640,641
The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	23.86%	0.30%	84.15%	22.77%	11.19%	33.44%	60.51%	12.40%
Plan fiduciary net position as a percentage of the total pension asset (liability)	103.65%	99.50%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

\* The amounts presented for each fiscal year were determined as of each System's measurement date.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of District's Pension Contributions  
Year ended June 30, 2022

<u>TRS System</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 9,524,708	8,538,520	8,020,123	9,244,766	8,855,856	10,046,851	11,140,158	12,770,980	11,701,201	8,617,722
Contribution in relation to the contractually required contribution	<u>9,524,708</u>	<u>8,538,520</u>	<u>8,020,123</u>	<u>9,244,766</u>	<u>8,855,856</u>	<u>10,046,851</u>	<u>11,140,158</u>	<u>12,770,980</u>	<u>11,701,201</u>	<u>8,617,722</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The District's covered payroll	<u>\$97,190,898</u>	<u>89,820,061</u>	<u>90,520,570</u>	<u>87,050,432</u>	<u>83,618,061</u>	<u>85,723,985</u>	<u>84,013,258</u>	<u>72,852,139</u>	<u>72,007,391</u>	<u>72,784,814</u>
Contribution as a percentage of covered payroll	9.80%	9.51%	8.86%	10.62%	10.59%	11.72%	13.26%	17.53%	16.25%	11.84%
<u>ERS System</u>										
Contractually required contribution	\$ 2,200,389	2,026,618	1,996,110	2,033,720	1,979,316	2,003,332	1,958,435	2,487,283	2,181,534	2,127,550
Contribution in relation to the contractually required contribution	<u>2,200,389</u>	<u>2,026,618</u>	<u>1,996,110</u>	<u>2,033,720</u>	<u>1,979,316</u>	<u>2,003,332</u>	<u>1,958,435</u>	<u>2,487,283</u>	<u>2,181,534</u>	<u>2,127,550</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The District's covered payroll	<u>\$14,336,217</u>	<u>14,628,963</u>	<u>14,520,169</u>	<u>14,455,636</u>	<u>13,410,943</u>	<u>13,614,952</u>	<u>11,940,136</u>	<u>12,640,641</u>	<u>11,920,951</u>	<u>11,852,646</u>
Contribution as a percentage of covered payroll	15.35%	13.85%	13.75%	14.07%	14.76%	14.71%	16.40%	19.68%	18.30%	17.95%



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of Changes in District's  
 Total OPEB Liability and Related Ratios  
 Year ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 16,504,998	15,628,538	6,720,671	5,821,422	6,105,403
Interest on total OPEB liability and service cost	5,973,805	5,722,383	7,580,237	7,508,678	6,900,705
Change of benefit terms	(160,380)	-	1,321,204	-	-
Difference between expected and actual experience	113,586,262	(142,345)	(66,215,537)	-	-
Changes of assumptions or other inputs	(89,770,129)	2,666,499	90,313,194	12,149,455	(9,255,857)
Benefit payments	<u>(8,364,449)</u>	<u>(5,883,736)</u>	<u>(5,416,598)</u>	<u>(3,477,783)</u>	<u>(6,583,716)</u>
Net change in total OPEB liability	37,770,107	17,991,339	34,303,171	22,001,772	(2,833,465)
Total OPEB liability - beginning	<u>264,219,943</u>	<u>246,228,604</u>	<u>211,925,433</u>	<u>189,923,661</u>	<u>192,757,126</u>
Total OPEB liability - ending	<u>\$301,990,050</u>	<u>264,219,943</u>	<u>246,228,604</u>	<u>211,925,433</u>	<u>189,923,661</u>
Covered payroll	\$ 96,609,307	97,913,567	94,283,355	106,004,689	101,470,786
Total OPEB liability as a percentage of covered payroll	312.59%	269.85%	261.16%	199.92%	187.17%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
3.54%	2.16%	2.21%	3.51%	3.87%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

OTHER SUPPLEMENTARY INFORMATION

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Other Supplementary Information  
 Schedule of Change from Adopted Budget to Final Budget and  
 the Real Property Tax Limit Calculation  
 Year ended June 30, 2022

Change from adopted budget to final budget:		
Adopted budget		\$ 251,311,607
Add prior year's encumbrances		<u>2,841,005</u>
Original budget		254,152,612
Add additional revenues and reserves		<u>13,193,956</u>
Final budget		<u><u>\$ 267,346,568</u></u>
 <u>Section 1318 of Real Property Tax Law Limit Calculation</u>		
2022-2023 voter approved expenditure budget		<u>\$ 265,022,650</u>
Maximum allowed 4% of 2022-2023 budget		<u><u>10,600,906</u></u>
 General fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Encumbrances	\$2,548,850	
Unassigned fund balance	<u>10,600,906</u>	
Total unrestricted fund balance		13,149,756
Less encumbrances		<u>2,548,850</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law		<u><u>\$ 10,600,906</u></u>
Actual percentage		4.00%

\* Per New York State Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Other Supplementary Information  
Schedule of Project Expenditures - Capital Projects Fund  
Year ended June 30, 2022

<u>Project title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures and Obligations to Date</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance 6/30/2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds of Obligations</u>	<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
Excel Projects	\$ 56,905,000	56,905,000	47,779,122	-	47,779,122	9,125,878	30,000,000	7,486,010	12,618,968	50,104,978	2,325,856
2017 Capital Projects	39,470,000	39,470,000	32,626,835	-	32,626,835	6,843,165	-	-	38,400,000	38,400,000	5,773,165
EPC Project	24,800,000	24,800,000	9,860,444	7,308,088	17,168,532	7,631,468	24,800,000	-	-	24,800,000	7,631,468
Smart Schools	10,398,033	10,398,033	21,951	2,274,228	2,296,179	8,101,854	-	-	-	-	(2,296,179)
Repair Reserve	5,000,000	5,000,000	4,191,033	76,767	4,267,800	732,200	-	-	5,000,000	5,000,000	732,200
	<u>\$136,573,033</u>	<u>136,573,033</u>	<u>94,479,385</u>	<u>9,659,083</u>	<u>104,138,468</u>	<u>32,434,565</u>	<u>54,800,000</u>	<u>7,486,010</u>	<u>56,018,968</u>	<u>118,304,978</u>	<u>14,166,510</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Other Supplementary Information  
Net Investment in Capital Assets  
June 30, 2022

Capital assets, net		\$234,088,704
Add:		
Deferred charges on refunding of debt	\$ 131,357	
Unspent proceeds - energy performance contract	<u>9,131,217</u>	9,262,574
Deduct:		
Bonds payable	(2,335,000)	
Installment purchase debt	<u>(11,667,444)</u>	<u>(14,002,444)</u>
Net investment in capital assets		<u>\$229,348,834</u>

**INDEPENDENT AUDITORS' 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**

The Board of Education  
William Floyd Union Free School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York  
November 1, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Federal Grant Compliance Audit  
June 30, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Education  
William Floyd Union Free School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited William Floyd Union Free School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*EFPR Group, CPAs, PLLC*

Williamsville, New York  
November 1, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed-through New York State Education Department - Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 1,612,385	-
National School Lunch Program	10.555	N/A	4,639,191	-
Summer Food Service Program for Children	10.559	N/A	672,228	-
Total Child Nutrition Cluster			6,923,804	-
Passed-through New York State Department of Health - Child and Adult Care Food Program	10.558	N/A	141,602	-
Total U.S. Department of Agriculture			7,065,406	-
<u>U.S. Department of Education</u>				
Passed-through New York State Education Department:				
Special Education Cluster:				
Special Education - Grants to States	84.027	0032-22-0894	2,540,285	-
COVID-19 Special Education - Grants to States	84.027X	5532-22-0894	49,785	-
Special Education - Preschool Grants	84.173	0033-22-0984	149,763	-
COVID-19 Special Education - Preschool Grants	84.173X	5533-22-0894	2,992	-
Total Special Education Cluster			2,742,825	-
Title I Grants to Local Educational Agencies	84.010	0011-21-3164	17,691	-
Title I Grants to Local Educational Agencies	84.010	0011-22-3164	25,762	-
Title I Grants to Local Educational Agencies	84.010	0021-21-3025	16,852	-
Title I Grants to Local Educational Agencies	84.010	0021-22-3025	2,004,607	-
Total Title I Grants to Local Educational Agencies			2,064,912	-
Career and Technical Education - Basic Grants to States	84.048	8000-22-0094	77,828	-
English Language Acquisition State Grants	84.365	0149-22-3025	32,128	-
English Language Acquisition State Grants	84.365	0293-21-3025	9,396	-
English Language Acquisition State Grants	84.365	0293-22-3025	94,666	-
Total English Language Acquisition State Grants			136,190	-
Supporting Effective Instruction State Grants	84.367	0147-21-3025	12,257	-
Supporting Effective Instruction State Grants	84.367	0147-22-3025	221,614	-
Total Supporting Effective Instruction State Grants			233,871	-
Student Support and Academic Enrichment Grants	84.424	0204-21-3025	30,183	-
Student Support and Academic Enrichment Grants	84.424	0204-22-3025	109,894	-
Total Student Support and Academic Enrichment Grants			140,077	-
COVID-19 Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	5895-21-3025	32,787	-
Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-3025	193,450	-
Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-3025	4,302,983	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-3025	2,367,439	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-3025	359,354	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-3025	84,077	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-3025	912,724	-
Total COVID-19 Education Stabilization Fund			8,252,814	-
Total U.S. Department of Education			13,648,517	-
Total Expenditures of Federal Awards			\$ 20,713,923	-

See accompanying notes to schedule of expenditures of federal awards.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the William Floyd Union Free School District (the District) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in financial position of the District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. Expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through numbers are presented where available.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

(3) Indirect Costs

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Subrecipients

No amounts were provided to subrecipients.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Notes to Schedule of Expenditures of Federal Awards, Continued

(5) Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2022

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? \_\_\_ Yes x No
- 2. Significant deficiency(ies) identified? \_\_\_ Yes x None reported
- 3. Noncompliance material to financial statements noted? \_\_\_ Yes x No

Federal Awards:

Internal control over major programs:

- 4. Material weakness(es) identified? \_\_\_ Yes x No
- 5. Significant deficiency(ies) identified? \_\_\_ Yes x None reported

Type of auditors' report issued on compliance for major programs: Unmodified

- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? \_\_\_ Yes x No
- 7. The District's major programs audited were:

Name of Federal Programs

Special Education Cluster:

Special Education - Grants to States 84.027/84.027X  
 Special Education - Preschool Grants 84.173/84.173X

Education Stabilization Fund 84.425C/84.425D/84.425U

- 8. Dollar threshold used to distinguish between Type A and Type B programs. \$750,000
- 9. Auditee qualified as low-risk auditee? x Yes \_\_\_ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Status of Prior Audit Findings  
Year ended June 30, 2022

Reference: 2021-001 General Fund Fund Balance in Excess of the 4% Limit

Condition - The District's unrestricted fund balance at June 30, 2021 after excluding amounts assigned for the subsequent year and encumbrances, was in excess of the New York State real Property Tax Law §1318 limit. For the fiscal year ended June 30, 2021, this portion of the District's unrestricted fund balance is \$23,169,119, which is 9.22% of the 2021-22 voter approved General Fund budget.

Status - Resolved.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Fund and  
Independent Auditors' Report

June 30, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Extraclassroom Activity Funds

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
William Floyd Union Free School District:

### Opinion

We have audited the accompanying cash basis financial statement of the statement of cash receipts, cash disbursements and cash balances of the William Floyd Union Free School District (the District), as of and for the year ended June 30, 2022, and the related note to financial statement, which collectively comprise the District's basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above present fairly, in all material respects, the respective cash basis financial position of the statement of cash receipts, cash disbursements and cash balances of the District, as of June 30, 2022, in accordance with the cash basis of accounting described in note 1.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

## Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
November 1, 2022

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Extraclassroom Activity Fund  
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances  
 Year ended June 30, 2022

<u>Extraclassroom Activity</u>	<u>Cash Balances at July 1, 2021</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balances at June 30, 2022</u>
William Floyd High School:				
Athletics	\$ 12,644	9,318	(13,969)	7,993
Bible Club	-	930	(924)	6
Billy Floyd's Closet	6,406	-	(1,278)	5,128
Black Student Union	-	399	-	399
Business Honor Society	266	2,249	(1,938)	577
Chamber Players	361	-	(300)	61
Class of 2021	6,905	231	(7,136)	-
Class of 2022	2,569	118,002	(113,958)	6,613
Class of 2023	3,693	881	(499)	4,075
Class of 2024	5,597	58	(309)	5,346
Class of 2025	-	8,230	(1,940)	6,290
CTE	69	1,190	(953)	306
CTE - Barbering	111	597	(622)	86
CTE - Culinary	21,724	4,443	(1,428)	24,739
CTE - Carpentry	2,535	-	(363)	2,172
CTE - Cosmetology	1,128	463	(814)	777
CTE - GIC	1,773	1,950	(2,898)	825
CTE - Medical Assisting	1,941	3,000	(1,675)	3,266
Field Trips	1	1,198	(1,198)	1
Floyd Features Video Club	-	3,000	(1,196)	1,804
Floyd Academy- SGC	1,932	-	(300)	1,632
Foreign Language Honor Society	2,454	1,908	(2,260)	2,102
Future Business Leaders of America	2,521	3,250	(2,710)	3,061
General Fund	-	12	-	12
Interact Club	166	-	-	166
Key Club	431	-	-	431
Literary Magazine	410	435	(550)	295
Medical Club	1,501	2,600	(2,109)	1,992
Music Club	1,210	5,081	(4,872)	1,419
National Art Honor Society	343	4,809	(3,562)	1,590
National Honor Society	2,717	2,747	(2,750)	2,714
Technology EDU	-	1,000	-	1,000
Robotics	2,587	2,608	(3,031)	2,164

(Continued)

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Extraclassroom Activity Fund  
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances, Continued

<u>Extraclassroom Activity</u>	Cash Balances at <u>July 1, 2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Cash Balances at <u>June 30, 2022</u>
<b>William Floyd High School, Continued</b>				
Rockettes (Kickline)	\$ 891	4,959	(3,460)	2,390
ROTC Leadership Club	1,090	1,685	(1,620)	1,155
ROTC Program	1,315	20,305	(14,956)	6,664
Sales Tax Payable	817	6,540	(5,900)	1,457
Science Honor Society	180	2,203	(1,626)	757
Select Choir	3,721	25,184	(25,912)	2,993
Sound and Light	-	1,005	(795)	210
Stage Band/Jazz Ensemble	660	17,811	(17,511)	960
Student Council	7,235	26,749	(30,266)	3,718
Tri-M (Modern Music Masters)	4,899	2,118	(5,451)	1,566
Vocal Ensemble	56	200	-	256
Yearbook	5,113	10,047	(4,774)	10,386
Youth and Government	126	-	-	126
Total William Floyd High School	<u>110,098</u>	<u>299,395</u>	<u>(287,813)</u>	<u>121,680</u>
<b>William Paca Middle School:</b>				
6th Grade Class Council	-	880	(521)	359
7th Grade Class Council	-	1,186	(511)	675
8th Grade Class Council	-	1,531	(1,241)	290
Community of Unity	-	63	-	63
Environmental Science	35	-	-	35
Garden Club	2,058	-	(60)	1,998
Girl's Chorus	342	14,922	(14,729)	535
Home and Career	-	264	(89)	175
Honor Society	12,007	4,596	(5,019)	11,584
Jazz Band	1,006	-	(898)	108
Judo Club	101	-	-	101
Math Club	538	-	(119)	419
Robotics	88	-	-	88
Sales Tax Payable	812	2,192	(1,241)	1,763
Student Council	39,121	32,738	(42,487)	29,372
Woodworking Club	-	1,500	(687)	813
Yearbook	2,058	-	-	2,058
Total William Paca Middle School	<u>58,166</u>	<u>59,872</u>	<u>(67,602)</u>	<u>50,436</u>

(Continued)

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Extraclassroom Activity Fund  
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances, Continued

<u>Extraclassroom Activity</u>	<u>Cash Balances at July 1, 2021</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balances at June 30, 2022</u>
William Floyd Middle School:				
6th Grade Advisory	\$ 9,782	2,624	(3,310)	9,096
7th Grade Advisory	1,003	1,258	(413)	1,848
Concert Band	1,998	15,972	(15,663)	2,307
Festival Orchestra	235	3,882	(3,733)	384
Mixed Chorus	63	4,147	(4,145)	65
Garden Club	2,060	-	-	2,060
Honor Society	3,555	1,609	(1,659)	3,505
Sales Tax Payable	1,148	952	(1,012)	1,088
Student Council	9,010	15,114	(15,490)	8,634
Student Council PBS	3,285	1,296	(1,010)	3,571
Yearbook	3,284	5,198	(5,512)	2,970
Total William Floyd Middle School	<u>35,423</u>	<u>52,052</u>	<u>(51,947)</u>	<u>35,528</u>
William Floyd Elementary School	<u>31,084</u>	<u>40,953</u>	<u>(37,548)</u>	<u>34,489</u>
Grand Total	<u>\$ 234,771</u>	<u>452,272</u>	<u>(444,910)</u>	<u>242,133</u>

See accompanying note to financial statement.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Funds

Note to Financial Statement

June 30, 2022

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The extraclassroom activity fund represents funds of the students of the William Floyd Union Free School District (the District). Although the extraclassroom activity funds are independent of the District with respect to their financial transactions and the designation of student management, the Board of Education exercises general oversight of these funds. Based on this criterion, the extraclassroom activity funds are included in the District's reporting entity. The District reports these assets held by it as agent for the extraclassroom organizations in a miscellaneous special revenue fund in the Balance Sheet - Governmental Funds.

(b) Basis of Accounting

The accounts of the extraclassroom activity fund are maintained on the cash basis of accounting, and the statement of cash receipts, cash disbursements and cash balances reflect only cash received and disbursed. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.