

## REPORT TO THE BOARD

October 23, 2023

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, 2023 and have issued our report thereon dated October 23, 2023. 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. No new material accounting policies were adopted and the application of existing policies were not changed during the year ended June 30, 2023. 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, 2023, 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 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, 2023

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 aggregate remaining fund information of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2023, 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, 2023, 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 (GAAP).

#### 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.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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

GAAP requires 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 GAAS. 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 October 23, 2023 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  
October 23, 2023

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis  
June 30, 2023

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, 2023 in comparison with the year ended June 30, 2022, with emphasis on the current year. This should be read in conjunction with the financial statements, which immediately follow this section.

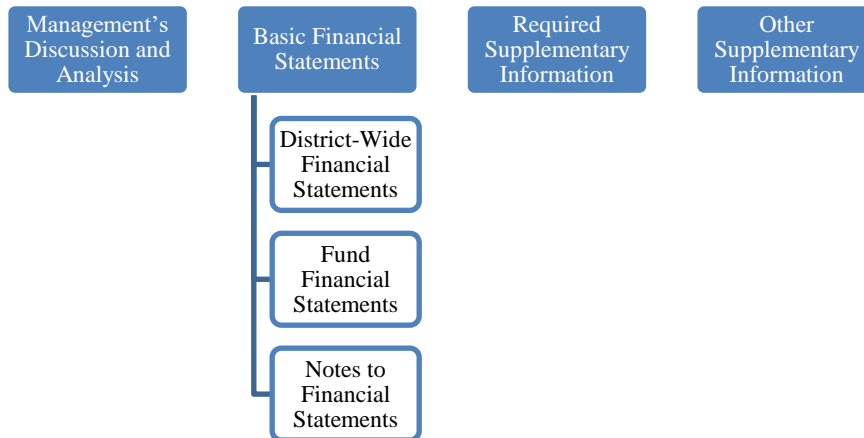
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for year ended June 30, 2023 are as follows:

- The District's total net position, as reflected in the District-Wide financial statements decreased by \$13,068,180 or 17.7%.
- The District's expenses for the year, as reflected in the District-Wide financial statements, totaled \$309,356,623. Of this amount, \$757,488 was offset by program charges for services and \$26,525,602 was offset by operating grants. The remaining expenses of \$282,073,533 were offset by general revenue of \$269,005,353 resulting in a decrease in net position of \$13,068,180.
- Expenses increased by \$53,849,977 to \$309,356,623 in 2023 from \$255,506,646 in 2022. This increase is primarily attributable to actuarial changes to amounts reported for pensions as reported by New York State (NYS) as well as increased personnel costs.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by \$6,219,028. This was due to revenue exceeding expenditures.

**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 decreased by \$13,068,180 between fiscal year 2023 and 2022. A summary of the District's Statements of Net Position is as follows:

	<u>2023</u>	<u>2022*</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Current assets	\$ 157,183,193	138,240,171	18,943,022	14%
Capital assets, net	231,842,133	234,088,704	(2,246,571)	-1%
Net pension assets	-	94,912,761	(94,912,761)	100%
Total assets	<u>389,025,326</u>	<u>467,241,636</u>	<u>(78,216,310)</u>	-17%
Deferred outflows of resources	<u>216,966,461</u>	<u>235,111,933</u>	<u>(18,145,472)</u>	-8%
Current liabilities	40,308,771	38,286,407	2,022,364	5%
Non-current liabilities	<u>352,186,907</u>	<u>343,292,172</u>	<u>8,894,735</u>	3%
Total liabilities	<u>392,495,678</u>	<u>381,578,579</u>	<u>10,917,099</u>	3%
Deferred inflows of resources	<u>152,912,967</u>	<u>247,123,668</u>	<u>(94,210,701)</u>	-38%
Net position:				
Net investment in capital assets	232,755,122	225,886,856	6,868,266	3%
Restricted	58,429,530	56,883,679	1,545,851	3%
Unrestricted (deficit)	<u>(230,601,510)</u>	<u>(209,119,213)</u>	<u>(21,482,297)</u>	-10%
Total net position	<u>\$ 60,583,142</u>	<u>73,651,322</u>	<u>(13,068,180)</u>	-18%

\*Certain items have been reclassified to conform to the current presentation.

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

Current and other assets increased by \$18,943,022, as compared to the prior year. This increase is primarily due to an increase in state and federal aid receivables and amounts due from other governments.

Capital assets decreased by \$2,246,571, as compared to the prior year. Note 5 to the financial statements provides additional information.

Net pension assets decreased \$94,912,761, as compared to the prior year. This is primarily a result of changes as required by Governmental Accounting Standards Board (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 decreased by \$18,145,472, as compared to the prior year. This is due to actuarially determined changes in other postemployment benefits (OPEB) as required by GASB Statement No. 75.

Current and other liabilities increased by \$2,022,364, primarily due to decreases in accounts payable and accrued liabilities which was offset by increases in amounts due to retirement systems and unearned revenue.

Non-current liabilities increased by \$8,894,735, as compared to the prior year. This increase is primarily due to decreases in the amounts reported by ERS and TRS, and actuarially determined changes in OPEB as required by GASB Statement No. 75 offset by the the issuance of Library bonds.

Deferred inflows of resources decreased by \$94,210,701, as compared to the prior year. This is primarily due to actuarially determined changes as reported by ERS and TRS.

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 and amortization. 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, 2023 is \$230,601,510 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 \$287,318,490 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, 2023 and 2022 is as follows:

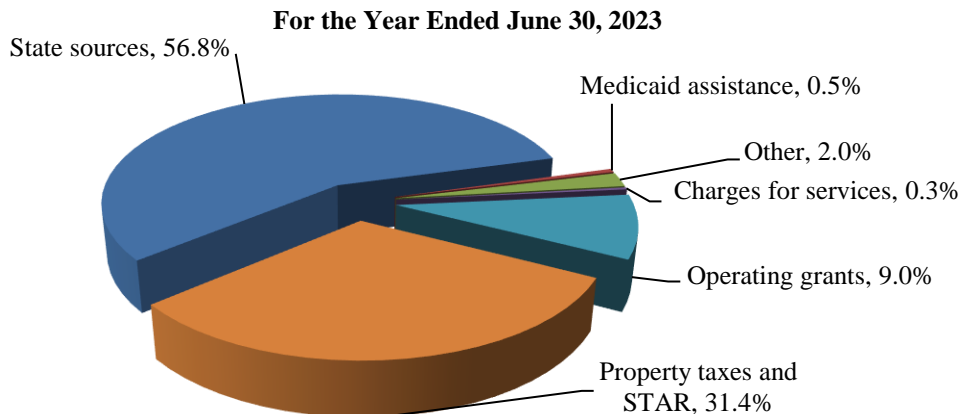
WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

	<u>2023</u>	<u>2022</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
<b>Revenue:</b>				
Program revenue:				
Charges for services	\$ 757,488	678,683	78,805	12%
Operating grants	26,525,602	24,080,426	2,445,176	10%
General revenue:				
Property taxes and STAR	92,896,362	98,197,270	(5,300,908)	-5%
State sources	168,378,566	144,685,006	23,693,560	16%
Medicaid assistance	1,501,801	1,303,876	197,925	15%
Other sources	<u>6,228,624</u>	<u>2,825,022</u>	<u>3,403,602</u>	120%
Total revenue	<u>296,288,443</u>	<u>271,770,283</u>	<u>24,518,160</u>	9%
<b>Expenses:</b>				
General support	38,083,611	28,158,037	9,925,574	35%
Instruction	239,356,682	198,760,819	40,595,863	20%
Pupil transportation	23,478,064	21,603,324	1,874,740	9%
Community services	113,336	77,900	35,436	45%
Interest	874,175	930,796	(56,621)	-6%
Food service program	<u>7,450,755</u>	<u>5,975,770</u>	<u>1,474,985</u>	25%
Total expenses	<u>309,356,623</u>	<u>255,506,646</u>	<u>53,849,977</u>	21%
Change in net position	<u>\$ (13,068,180)</u>	<u>16,263,637</u>	<u>(29,331,817)</u>	-180%

The District's revenue increased by 9% in 2023 or \$24,518,160. The major factors that contributed to the increase was increased revenue from state sources recognized in state aid.

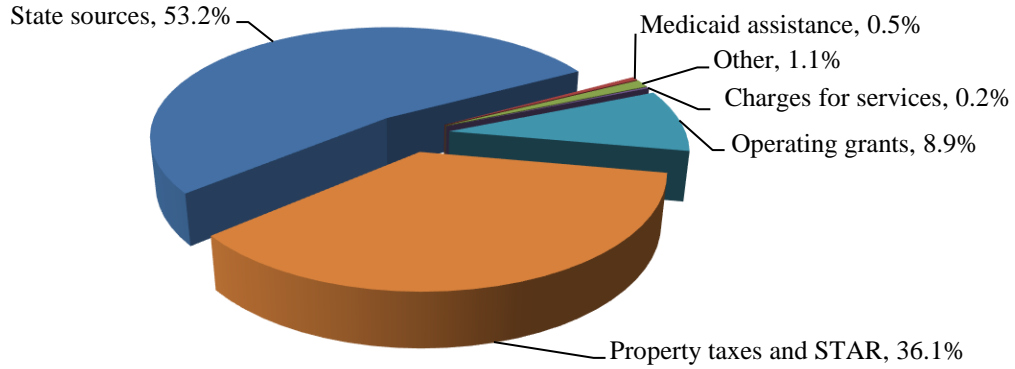
The District's expenses for the year increased by 21% in 2023 or \$53,849,977 primarily as a result of actuarially determined changes in pensions as reported by NYS and increased personnel costs.

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



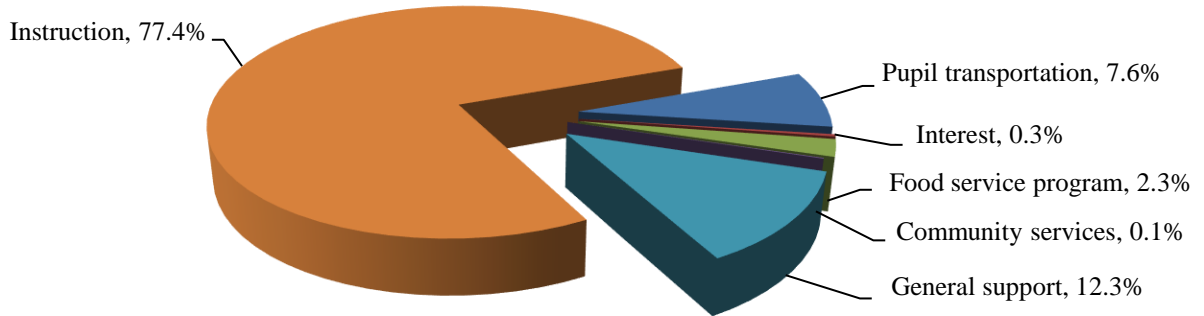
**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT**  
**Management's Discussion and Analysis, Continued**

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

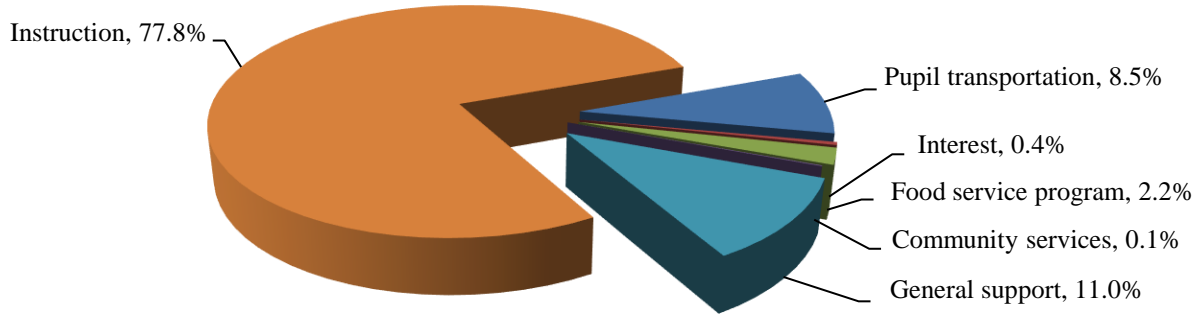


A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2023**



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



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

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

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$95,565,802, which is an increase of \$6,519,728 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>2023</u>	<u>2022</u>	<u>Increase (decrease)</u>
General Fund:			
Nonspendable	\$ 451,614	-	451,614
Restricted:			
Workers' compensation	9,332,686	8,526,756	805,930
Unemployment insurance	203,086	200,737	2,349
Retirement contribution	22,724,476	18,888,795	3,835,681
Insurance	3,000,000	3,000,000	-
Employee benefit accrued liability	10,743,258	9,885,412	857,846
Capital repair	1,011,700	5,000,000	(3,988,300)
Capital projects	<u>11,000,000</u>	<u>11,000,000</u>	<u>-</u>
Total restricted	<u>58,015,206</u>	<u>56,501,700</u>	<u>1,513,506</u>
Assigned:			
General support	737,530	717,180	20,350
Instruction	2,726,837	1,831,670	895,167
Pupil transportation	23,057	-	23,057
Employee benefits	<u>176</u>	<u>-</u>	<u>176</u>
Total assigned	<u>3,487,600</u>	<u>2,548,850</u>	<u>938,750</u>
Unassigned	<u>13,916,064</u>	<u>10,600,906</u>	<u>3,315,158</u>
Total general fund	<u>75,870,484</u>	<u>69,651,456</u>	<u>6,219,028</u>
School Lunch Fund:			
Nonspendable - inventory	37,046	80,302	(43,256)
Assigned - unappropriated	<u>4,967,538</u>	<u>4,765,827</u>	<u>201,711</u>
Total school lunch fund	<u>5,004,584</u>	<u>4,846,129</u>	<u>158,455</u>
Capital Projects Fund:			
Restricted - energy performance contract	8,868,883	9,131,217	(262,334)
Assigned	<u>5,407,527</u>	<u>5,035,293</u>	<u>372,234</u>
Total capital projects fund	<u>14,276,410</u>	<u>14,166,510</u>	<u>109,900</u>
Miscellaneous Fund:			
Restricted:			
Scholarships	121,555	139,846	(18,291)
Extraclassroom activities	<u>292,769</u>	<u>242,133</u>	<u>50,636</u>
Total miscellaneous fund	<u>414,324</u>	<u>381,979</u>	<u>32,345</u>
Total fund balance	<u>\$ 95,565,802</u>	<u>89,046,074</u>	<u>6,519,728</u>



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

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2022-23 Budget**

The District's general fund adopted budget for the year ended June 30, 2023 was \$265,022,650. This was an increase of \$13,711,043 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 \$168,378,566 in state aid and \$82,450,072 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	\$ 10,600,906
Revenue and other sources under budget	4,372,046
Expenditures and other uses and encumbrances under budget	4,908,232
Change in nonspendable fund balance	(451,614)
Net change in restricted funds	(1,513,506)
Additional appropriations of fund balance	<u>(4,000,000)</u>
Closing, unassigned fund balance	\$ <u>13,916,064</u>

**Opening, Unassigned Fund Balance**

The \$10,600,906 shown in the table is the portion of the District's June 30, 2022 fund balance that was retained as unassigned.

**Revenue and Other Sources Under Budget**

The 2022-2023 final budget for revenue was \$265,025,017. The actual revenue and other sources received for the year was \$269,397,063. The actual revenue and other sources was over budgeted revenue by \$4,372,046. This variance contributes directly to the change of the unassigned portion of the general fund balance from June 30, 2022 to June 30, 2023.

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

The 2022-2023 final budget for expenditures and other uses was \$271,573,867. The actual expenditures and other uses and encumbrances was \$263,178,035. The final budget was under expended by \$4,908,232. This under expenditure also contributes to the change of the unassigned portion of the general fund balance from June 30, 2022 to June 30, 2023.

**Additional Appropriations of Fund Balance**

The District appropriated additional fund balance during the year to partially fund its 2022-2023 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 2023-2024 fiscal year with an unassigned fund balance of \$13,916,064, which is 4.76% of the District's 2023-2024 approved operating budget.

**6. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2023 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, 2023. A summary of the District's capital assets, net of depreciation at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Increase (decrease)</u>
Land	\$ 35,132,218	35,132,218	-
Construction in progress	57,072,347	51,987,247	5,085,100
Buildings and improvements	133,442,799	140,178,774	(6,735,975)
Furniture, equipment and vehicles	4,144,141	3,317,775	826,366
Right to use lease assets	<u>2,050,628</u>	<u>3,472,690</u>	<u>(1,422,062)</u>
Capital assets, net	<u>\$ 231,842,133</u>	<u>234,088,704</u>	<u>(2,246,571)</u>

**B. Debt Administration**

At June 30, 2023, the District had total bonds payable of \$21,465,000. A summary of the outstanding bonds payable at June 30, 2023 and 2022 is as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>2023</u>	<u>2022</u>	<u>Increase (decrease)</u>
Serial bonds	7/27/2016	5.00%	\$ -	2,335,000	(2,335,000)
Library bonds	11/2/2021	2.00-2.25%	10,465,000	10,945,000	(480,000)
Library bonds	5/16/2023	4.00-5.00%	<u>11,000,000</u>	<u>-</u>	<u>11,000,000</u>
			<u>\$ 21,465,000</u>	<u>13,280,000</u>	<u>8,185,000</u>

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

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

- For the first time in over 12 years, the State finally funded Foundation Aid at the required level. While this was an incredible increase to the revenue stream to the District, we believe it should have been done gradually, to ensure that it would be sustainable in the next few years. Since State Aid is the largest source of revenue to the District, any cut backs have devastating repercussions to student programs and health and mental initiatives.
- Both TRS and ERS employer contributions had minimal changes during this fiscal period. Global economic factors, rising inflation rates and market uncertainties continue to be concerning to long-term sustainability and controlling cost increases in all areas. This will provide additional interest earnings but will be completely consumed by the increases in commodities costs. The increase of utilities and durable goods, which is affecting every part of our operation, are indicating that this will be the trend for a number of years to come.
- Once again, tax assessments increased slightly 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. But, with the increase in interest rates it seems as though institutional investors are picking up more housing stock compared to individual home buyers.
- The District continues to operate under the Community Eligibility Program (CEP) which provides free breakfast and lunch for every student, regardless of income. Both the Federal and State have provided relief for meal distribution and additional ways to help those in needs. 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 government and the State. While the economic stimulus from packages I, II & III are greatly appreciated, the initiatives are unsustainable once the funding is depleted. Federal IDEA and Title 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. The local library is the only current long-term obligation that is recorded on the books.
- 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. Anticipated graduation rates flatlined, compared to previous years growth, but new initiatives are underway to jump start growth during the 23-24 academic year.

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, 2023

Assets:	
Cash:	
Unrestricted	\$ 50,710,977
Restricted	67,298,413
Receivables:	
State and Federal sources	16,892,072
Due from other governments	21,465,000
Accounts receivable	328,071
Prepaid	451,614
Inventory	37,046
Capital assets, net	<u>231,842,133</u>
Total assets	<u>389,025,326</u>
Deferred outflows of resources:	
Pensions	63,134,884
Other postemployment benefits	<u>153,831,577</u>
Total deferred outflows of resources	<u>216,966,461</u>
Liabilities:	
Payables:	
Accounts payable	7,725,923
Accrued liabilities	1,457,292
Due to teachers' retirement system	12,552,440
Due to employees' retirement system	559,458
Unearned revenue	18,013,658
	(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	\$ 680,000
Installment purchase debt	429,638
Capital lease obligations	1,075,080

Due and payable after one year:

Bonds payable	20,785,000
Installment purchase debt	5,462,129
Capital lease obligations	989,047
Net pension liability - proportionate share - TRS	10,530,004
Net pension liability - proportionate share - ERS	9,418,226
Total OPEB liability	287,318,490
Compensated absences	12,524,818
Workers' compensation	<u>2,974,475</u>

Total liabilities 392,495,678

Deferred inflows of resources:

Pensions	6,931,482
Other postemployment benefits	<u>145,981,485</u>

Total deferred inflows of resources 152,912,967

Net position:

Net investment in capital assets	232,755,122
Restricted	58,429,530
Unrestricted (deficit)	<u>(230,601,510)</u>

Total net position \$ 60,583,142

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Statement of Activities  
Governmental Activities  
Year ended June 30, 2023

		Program Revenue		Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in Net Position
Functions/programs:				
General support	\$ 38,083,611	-	-	(38,083,611)
Instruction	239,356,682	289,717	19,952,414	(219,114,551)
Pupil transportation	23,478,064	-	-	(23,478,064)
Community services	113,336	-	-	(113,336)
Interest	874,175	-	-	(874,175)
Food service program	7,450,755	467,771	6,573,188	(409,796)
Total functions and programs	\$ 309,356,623	757,488	26,525,602	(282,073,533)
General revenue:				
Real property taxes				82,450,072
STAR and other real property tax items				10,446,290
Use of money and property				1,762,335
Sale of property and compensation for loss				43,599
State sources				168,378,566
Medicaid assistance				1,501,801
Miscellaneous				4,422,690
Total general revenue				269,005,353
Change in net position				(13,068,180)
Net position at beginning of year				73,651,322
Net position at end of year				\$ 60,583,142

See accompanying notes to financial statements.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Balance Sheet - Governmental Funds  
June 30, 2023

	<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	\$ 34,953,679	4,669,596	2,659,836	8,427,866	-	50,710,977
Restricted	58,015,206	-	-	8,868,883	414,324	67,298,413
Receivables:						
Due from other funds	8,221,866	-	437,314	-	-	8,659,180
State and Federal sources	9,322,577	1,211,270	6,358,225	-	-	16,892,072
Accounts receivable	328,071	-	-	-	-	328,071
Prepaid	451,614	-	-	-	-	451,614
Inventory	-	37,046	-	-	-	37,046
Total assets	<u>\$ 111,293,013</u>	<u>5,917,912</u>	<u>9,455,375</u>	<u>17,296,749</u>	<u>414,324</u>	<u>144,377,373</u>
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Payables:						
Accounts payable	3,402,182	371,661	934,664	3,017,416	-	7,725,923
Accrued liabilities	1,272,373	3,450	25,089	-	-	1,300,912
Due to other funds	437,228	390,509	7,828,520	2,923	-	8,659,180
Due to teachers' retirement system	12,552,440	-	-	-	-	12,552,440
Due to employees' retirement system	559,458	-	-	-	-	559,458
Unearned revenue	<u>17,198,848</u>	<u>147,708</u>	<u>667,102</u>	<u>-</u>	<u>-</u>	<u>18,013,658</u>
Total liabilities	<u>35,422,529</u>	<u>913,328</u>	<u>9,455,375</u>	<u>3,020,339</u>	<u>-</u>	<u>48,811,571</u>
Fund balance:						
Nonspendable	451,614	37,046	-	-	-	488,660
Restricted	58,015,206	-	-	8,868,883	414,324	67,298,413
Assigned	3,487,600	4,967,538	-	5,407,527	-	13,862,665
Unassigned	<u>13,916,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,916,064</u>
Total fund balance	<u>75,870,484</u>	<u>5,004,584</u>	<u>-</u>	<u>14,276,410</u>	<u>414,324</u>	<u>95,565,802</u>
Total liabilities and fund balance	<u>\$ 111,293,013</u>	<u>5,917,912</u>	<u>9,455,375</u>	<u>17,296,749</u>	<u>414,324</u>	<u>144,377,373</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, 2023

Total governmental fund balance		\$ 95,565,802
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	\$418,086,939	
Accumulated depreciation and amortization	<u>(186,244,806)</u>	
Total capital assets		231,842,133
Long-term receivables have not matured in the current period and therefore are not reported in the funds.		
		21,465,000
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	63,134,884	
Deferred inflows of resources - pensions	(6,931,482)	
Deferred outflows of resources - OPEB	153,831,577	
Deferred inflows of resources - OPEB	<u>(145,981,485)</u>	64,053,494
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	(156,380)	
Bonds payable	(21,465,000)	
Installment purchase debt	(5,891,767)	
Capital lease obligations	(2,064,127)	
Total OPEB liability	(287,318,490)	
Compensated absences	(12,524,818)	
Workers' compensation	<u>(2,974,475)</u>	(332,395,057)
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 liability - proportionate share - TRS	(10,530,004)	
Net pension liability - proportionate share - ERS	<u>(9,418,226)</u>	<u>(19,948,230)</u>
Total net position		<u>\$ 60,583,142</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, 2023

	<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	\$82,450,072	-	-	-	-	82,450,072
STAR and other real property tax items	10,446,290	-	-	-	-	10,446,290
Charges for services	289,717	-	-	-	-	289,717
Use of money and property	1,706,421	55,811	-	-	103	1,762,335
Sale of property and compensation for loss	43,599	-	-	-	-	43,599
Miscellaneous	4,580,597	17,479	177,036	-	127,578	4,902,690
State sources	168,378,566	134,118	4,907,906	-	-	173,420,590
Federal sources	1,501,801	6,439,070	15,044,508	-	-	22,985,379
School lunch sales	-	467,771	-	-	-	467,771
Total revenue	<u>269,397,063</u>	<u>7,114,249</u>	<u>20,129,450</u>	<u>-</u>	<u>127,681</u>	<u>296,768,443</u>
Expenditures:						
General support	25,617,185	-	-	5,085,100	-	30,702,285
Instruction	139,801,012	-	17,677,336	-	-	157,478,348
Pupil transportation	22,551,273	-	725,531	-	-	23,276,804
Community services	18,000	-	-	-	95,336	113,336
Food service program	-	6,851,469	-	-	-	6,851,469
Employee benefits	58,866,336	104,325	2,248,176	-	-	61,218,837
Debt service - principal	9,988,528	-	-	-	-	9,988,528
Debt service - interest	619,108	-	-	-	-	619,108
Total expenditures	<u>257,461,442</u>	<u>6,955,794</u>	<u>20,651,043</u>	<u>5,085,100</u>	<u>95,336</u>	<u>290,248,715</u>
Excess (deficiency) of revenue over expenditures	<u>11,935,621</u>	<u>158,455</u>	<u>(521,593)</u>	<u>(5,085,100)</u>	<u>32,345</u>	<u>6,519,728</u>
Other financing sources (uses):						
Proceeds of library bond issuance, net	11,440,545	-	-	-	-	11,440,545
Payments to library of bond proceeds	(11,440,545)	-	-	-	-	(11,440,545)
Transfers in	-	-	521,593	5,195,000	-	5,716,593
Transfers (out)	(5,716,593)	-	-	-	-	(5,716,593)
Total other financing sources (uses)	<u>(5,716,593)</u>	<u>-</u>	<u>521,593</u>	<u>5,195,000</u>	<u>-</u>	<u>-</u>
Excess of revenue and other sources over expenditures and other (uses)	6,219,028	158,455	-	109,900	32,345	6,519,728
Fund balance at beginning 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>
Fund balance at end of year	<u>\$75,870,484</u>	<u>5,004,584</u>	<u>-</u>	<u>14,276,410</u>	<u>414,324</u>	<u>95,565,802</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 2023

Net change in fund balance		\$ 6,519,728
Amounts reported for governmental activities in the statement of activities are different because:		
Long-term assets are not available in the current period and, therefore, change are not reported in the funds.		480,000
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	\$ 7,485,312	
Disposals	(8,533)	
Depreciation and amortization	<u>(9,723,350)</u>	(2,246,571)
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	9,028,528	
Amortization of deferred charges	<u>(131,357)</u>	8,897,171
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.		(2,816,020)
Change in workers' compensation unfunded liability		209,427
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 asset/liability - proportionate share - TRS	(102,022,284)	
Change in deferred outflows of resources - pensions	3,700,055	
Change in net pension asset/liability - proportionate share - ERS	(12,838,707)	
Change in deferred inflows of resources - pensions	<u>107,671,498</u>	(3,489,438)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		(128,374)
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	(21,704,866)	
Change in total OPEB liability	14,671,560	
Change in deferred inflows - OPEB	<u>(13,460,797)</u>	<u>(20,494,103)</u>
Change in net position of governmental activities		<u>\$ (13,068,180)</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, 2023

	Custodial <u>Fund</u>
Additions - library taxes	\$ 10,303,273
Deductions - library taxes	<u>10,303,273</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, 2023

(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 \$23,873,919 for BOCES administrative and program costs and recognized \$3,546,956 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 revenue 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

(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 two items that qualify for reporting in this category, the first of which is related to pensions reported in the District-Wide statement of net position in the amount of \$63,134,884. 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 second item is related to other postemployment benefits reported in the statement of net position in the amount of \$153,831,577. 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 reported deferred inflows of \$6,931,482 for pensions, and \$145,981,485 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.

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

(1) Summary of Significant Accounting Policies, Continued

(m) Compensated Absences, Continued

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.

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	\$ 267,571,500
Budget revisions	<u>4,002,367</u>
Final budget	\$ <u>271,573,867</u>

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

(1) Summary of Significant Accounting Policies, Continued

(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, 2023, the District has set aside \$17,000,000 for this purpose. This amount is recorded as unearned revenue as required by the New York State Comptroller.

Also included in unearned revenue is \$198,848 for revisions to prior years' state aid and \$814,810 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 and amortization) reduced by outstanding balances of related debt obligations from the acquisitions, construction and improvements of those assets.

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.

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

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 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.

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

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 \$11,928,653 and \$10,795,823, 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.

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.

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

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, 2023.

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 Projects 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.

(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.

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

(1) Summary of Significant Accounting Policies, Continued

(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. 94 - Public-Private and Public-Public Partnerships and Availability Payment 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.

(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.



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

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

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

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, 2023, total bank balances of \$125,930,721 were fully collateralized.

(b) Restricted Cash

Restricted cash represents the following:

<u>General Fund</u>	<u>Amount</u>
Reserve for workers' compensation	\$ 9,332,686
Reserve for unemployment insurance	203,086
Reserve for retirement contribution - ERS	11,928,653
Subreserve for retirement contributions - TRS	10,795,823
Reserve for insurance	3,000,000
Reserve for employee benefit accrued liability	10,743,258
Reserve for repairs	11,000,000
Reserve for capital projects	<u>1,011,700</u>
	<u>58,015,206</u>

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

(3) Cash, Continued

(b) Restricted Cash, Continued

Capital Projects Fund

Restricted for installment purchase debt \$ 8,868,883

Miscellaneous Fund

Reserve for scholarships 121,555

Reserve for extraclassroom activities 292,769

414,324

\$ 67,298,413

(4) Receivables

Major receivables recorded by the District at June 30, 2023 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, 2023 are listed below:

General Fund - State sources receivable:

State aid - Excess cost \$ 4,712,660

State aid - BOCES 3,546,956

State aid - Other 1,062,961 \$ 9,322,577

School Lunch Fund - State and Federal sources receivable -

State and Federal grants related to food service program 1,211,270

Special Aid Fund - State and Federal sources receivable -

State and Federal grants - various 6,358,225

Total \$ 16,892,072

(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, 2023 were as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Adjustments/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets not being depreciated and amortized:				
Land	\$ 35,132,218	-	-	35,132,218
Construction in progress	<u>51,987,247</u>	<u>5,085,100</u>	<u>-</u>	<u>57,072,347</u>
Total capital assets not being depreciated and amortized	<u>87,119,465</u>	<u>5,085,100</u>	<u>-</u>	<u>92,204,565</u>
Capital assets being depreciated and amortized:				
Buildings and improvements	308,268,207	674,258	-	308,942,465
Furniture, equipment and vehicles	10,686,816	1,725,954	(97,300)	12,315,470
Right to use lease assets	<u>4,811,618</u>	<u>-</u>	<u>(187,179)</u>	<u>4,624,439</u>
Total capital assets being depreciated and amortized	<u>323,766,641</u>	<u>2,400,212</u>	<u>(284,479)</u>	<u>325,882,374</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	168,089,433	7,410,233	-	175,499,666
Furniture, equipment and vehicles	7,369,041	891,055	(88,767)	8,171,329
Right to use lease assets	<u>1,338,928</u>	<u>1,422,062</u>	<u>(187,179)</u>	<u>2,573,811</u>
Total accumulated depreciation and amortization	<u>176,797,402</u>	<u>9,723,350</u>	<u>(275,946)</u>	<u>186,244,806</u>
Total capital assets, being depreciated and amortized, net	<u>146,969,239</u>	<u>(7,323,138)</u>	<u>(8,533)</u>	<u>139,637,568</u>
Capital assets, net	<u>\$ 234,088,704</u>	<u>(2,238,038)</u>	<u>(8,533)</u>	<u>231,842,133</u>

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

General support	\$ 1,818,695
Instruction	7,825,618
Food service	<u>79,037</u>
Total depreciation and amortization expense	<u>\$ 9,723,350</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, 2023, are as follows:

	Beginning			Ending	Amounts
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Serial bonds	\$ 13,280,000	11,000,000	2,815,000	21,465,000	680,000
Installment purchase debt	11,667,444	-	5,775,677	5,891,767	429,638
Capital lease obligations	3,461,978	-	1,397,851	2,064,127	1,075,080
Net pension liability - proportionate share - TRS	-	10,530,004	-	10,530,004	-
Net pension liability - proportionate share - ERS	-	9,418,226	-	9,418,226	-
Total OPEB liability	301,990,050	-	14,671,560	287,318,490	-
Compensated absences	9,708,798	2,816,020	-	12,524,818	-
Workers' compensation	<u>3,183,902</u>	<u>-</u>	<u>209,427</u>	<u>2,974,475</u>	<u>-</u>
Total long-term liabilities	<u>\$ 343,292,172</u>	<u>33,764,250</u>	<u>24,869,515</u>	<u>352,186,907</u>	<u>2,184,718</u>

(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</u>	<u>Original</u>	<u>Final</u>	<u>Interest</u>	<u>Outstanding</u>
	<u>Date</u>	<u>Amount</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>at 6/30/23</u>
2021 Library	11/2/21	\$ 11,500,000	6/15/41	2.00-2.25%	10,465,000
2022 Library	3/16/23	11,000,000	6/15/45	4.00-5.00%	<u>11,000,000</u>
					<u>\$ 21,465,000</u>

Interest on serial bonds for the year was composed of:

Interest paid	\$ 282,294
Interest accrued in the current year	145,269
Amortization of deferred charges	131,357
Interest accrued in the prior year	<u>(9,530)</u>
Total interest expense on serial bonds	<u>\$ 549,390</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>	<u>Total</u>
2024	\$ 680,000	910,354	1,590,354
2025	815,000	769,428	1,584,428
2026	845,000	738,678	1,583,678
2027	870,000	706,628	1,576,628
2028	895,000	673,528	1,568,528
2029 - 2033	4,935,000	2,829,391	7,764,391
2034 - 2038	5,730,000	1,882,991	7,612,991
2039 - 2043	5,225,000	824,819	6,049,819
2044 - 2045	<u>1,470,000</u>	<u>88,800</u>	<u>1,558,800</u>
Total	<u>\$ 21,465,000</u>	<u>9,424,617</u>	<u>30,889,617</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.

On March 16, 2023, the District issued \$11,000,000 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 4.00% - 5.00%, 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, 2045.

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 \$131,357 and is included as an increase to interest expense on the statement of activities.

Deferred charges	\$ 919,517
Less accumulated amortization	<u>(919,517)</u>
Net unamortized charges	\$ <u>          -</u>

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

(6) Long-term Debt, Continued

(a) Serial Bonds, Continued

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.

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- beginning June 1, 2021 with final payment due June 1, 2035. The amended contract carries an interest rate of 1.19%. Proceeds of the contract were deposited with an escrow agent in the District's name. Unspent amounts, including interest were \$8,868,883 at June 30, 2023 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>
2024	\$ 429,638	137,683	567,321
2025	439,925	127,396	567,321
2026	450,457	116,864	567,321
2027	461,242	106,079	567,321
2028	472,285	95,036	567,321
2029-2033	2,536,546	300,059	2,836,605
2034-2035	<u>1,101,674</u>	<u>32,968</u>	<u>1,134,642</u>
	<u>\$ 5,891,767</u>	<u>916,085</u>	<u>6,807,852</u>

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

(6) Long-term Debt, Continued

(b) Installment Purchase Debt, Continued

Interest on installment purchase debt for the year was:

Interest paid	\$ 273,097
Interest accrued in the current year	11,111
Interest accrued in the prior year	<u>(23,140)</u>
Total interest expense on installment purchase debt	\$ <u>261,068</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, 2023 was \$4,624,439. Accumulated amortization on the equipment amounted to \$2,573,811 at June 30, 2023. Amortization of this leased equipment was charged to governmental functions on the statement of revenue, expenses and changes in net position.

The principal and interest payments on the leases for the year ended March 31, 2023 totaled \$1,397,851 and \$63,717, respectively.

Future minimum payments under the finance agreement are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,075,080	37,070	1,112,150
2025	763,263	17,864	781,127
2026	177,575	5,136	182,711
2027	<u>48,209</u>	<u>828</u>	<u>49,037</u>
	\$ <u>2,064,127</u>	<u>60,898</u>	<u>2,125,025</u>

(d) Compensated Absences

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

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

(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).

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/retirement/publications](http://www.osc.state.ny.us/retirement/publications) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.



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

(7) Pension Obligations, Continued

(b) Pension Liabilities, 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, 2023, the District reported the following liabilities for its proportionate share of the net pension liability for each of the Systems. The net pension liabilities were measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations. The District's proportion of the net pension liabilities 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.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	4/01/2022	6/30/2021
Measurement date	3/31/2023	6/30/2022
Net pension liability	\$9,418,226	10,530,004
District's proportion of the Plan's net pension liability	0.0439200%	0.548754%
Change in proportion since the prior measurement date	0.0020771	0.020783

For the year ended June 30, 2023, the District recognized pension expense of \$3,464,511 for ERS and \$12,974,623 for TRS in the statement of activities.

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

(7) Pension Obligations, Continued

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

At June 30, 2023, 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	\$ 1,003,115	11,034,111	264,499	211,003
Changes of assumptions	4,574,098	20,426,426	50,552	4,241,793
Net difference between projected and actual earnings on pension plan investments		- 13,605,764	55,332	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	613,815	211,166	225,450	1,892,863
District's contributions subsequent to the measurement date	<u>559,458</u>	<u>11,106,931</u>	<u>-</u>	<u>-</u>
Total	\$ <u>6,750,486</u>	<u>56,384,398</u>	<u>595,833</u>	<u>6,345,649</u>

District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liabilities in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 1,358,527	7,486,959
2025	(409,259)	3,693,766
2026	2,013,659	(2,054,526)
2027	2,632,268	26,508,086
2028	-	3,253,861
Thereafter	<u>-</u>	<u>43,672</u>
	\$ <u>5,595,195</u>	<u>38,931,818</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:

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

(7) Pension Obligations, Continued

(c) Actuarial Assumptions

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Inflation	2.90%	2.40%
Cost of living adjustments	1.50%	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-2021. The previous actuarial valuation as of April 1, 2021 used the same assumptions to measure the total pension liability. For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. The previous actuarial valuation as of June 30, 2021 used the Society of Actuaries' Schedule MP-2020.

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.

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 and GAAP." 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.

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

(7) Pension Obligations, Continued

(c) Actuarial Assumptions, Continued

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>	
	March 31, 2023		June 30, 2022	
	<u>Long-term expected</u> <u>real rate of return*</u>	<u>Target</u> <u>allocation</u>	<u>Long-term expected</u> <u>real rate of return*</u>	<u>Target</u> <u>allocation</u>
Asset class:				
Domestic equity	4.30%	32%	6.50%	33%
International equity	6.85%	15%	7.20%	16%
Real estate equity	4.60%	9%	6.20%	11%
Global equity	-	-	6.90%	4%
Domestic fixed income	-	-	1.10%	16%
Global bonds	-	-	0.60%	2%
High-yield bonds	-	-	3.30%	1%
Real estate debt	-	-	2.40%	6%
Private equity	7.50%	10%	9.90%	8%
Private debt	-	-	5.30%	2%
Real assets	5.84%	3%	-	-
Fixed income	1.50%	23%	-	-
Opportunistic/ARS portfolio	5.38%	3%	-	-
Credit	5.43%	4%	-	-
Cash	-	1%	(0.30%)	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.

(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 Liabilities 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:

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

(7) Pension Obligations, Continued

(e) Sensitivity of the Proportionate Share of the Net Pension Liabilities to the Discount Rate, Continued

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ <u>(22,759,812)</u>	<u>(9,418,226)</u>	<u>1,730,222</u>
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ <u>(97,091,572)</u>	<u>(10,530,004)</u>	<u>62,267,707</u>

(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	3/31/2023	6/30/2022
Employers' total pension liability	\$ (232,627)	(133,883)
Plan fiduciary net position	<u>211,183</u>	<u>131,965</u>
Employers' net pension liability	\$ <u>(21,444)</u>	<u>(1,918)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	90.78%	98.60%

(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, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$559,458. 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, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to \$11,106,931 and \$1,445,509, 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.

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

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

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

The District reimburses 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, 2023, the District recognized approximately \$8.0 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.

(b) Employees covered by benefit terms

At June 30, 2023, 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 \$287,318,490 was measured as of June 30, 2023 and was determined by an actuarial valuation as June 30, 2021 with liabilities projected to June 30, 2022 and June 30, 2023 on a no gain/loss basis.

(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 - 3.30% - 8.80%
	TRS - 2.90% - 10.00%
Discount rate	4.13%
Healthcare cost trend rates	5.50% for 2024 decreasing to an ultimate rate of 4.04% by 2075

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

(8) Other Postemployment Benefits (OPEB), Continued

(d) Actuarial Assumptions and Other Inputs, Continued

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index. The previous measurement as of June 30, 2022 used a discount rate of 3.54%.

The mortality table used in the June 30, 2021 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	\$ 15,385,724
Interest on total OPEB liability and service cost	11,095,412
Difference between expected and actual experience	(175,163)
Changes of assumptions or other inputs	(33,016,177)
Benefit payments	<u>(7,961,356)</u>
Net change in total OPEB liability	(14,671,560)
Total OPEB liability as of June 30, 2022	<u>301,990,050</u>
Total OPEB liability as of June 30, 2023	\$ <u>287,318,490</u>

(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 (3.13%) or 1% higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ <u>346,354,675</u>	<u>287,318,490</u>	<u>241,218,594</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>228,810,479</u>	<u>287,318,490</u>	<u>367,073,608</u>

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$28,455,459. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

(8) Other Postemployment Benefits (OPEB), Continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 90,869,010	39,986,608
Changes in assumptions or other inputs	<u>62,962,567</u>	<u>105,994,877</u>
	<u>\$ 153,831,577</u>	<u>145,981,485</u>

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

<u>Year ending</u>	
2024	\$ 1,974,323
2025	1,974,323
2026	1,974,323
2027	1,974,323
2028	1,974,323
Thereafter	<u>(2,021,523)</u>
Total	<u>\$ 7,850,092</u>

(9) Risk Management

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.

(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	\$ 8,221,866	437,228	-	5,716,593
School Lunch	-	390,509	-	-
Special Aid	437,314	7,828,520	521,593	-
Capital Projects	<u>-</u>	<u>2,923</u>	<u>5,195,000</u>	<u>-</u>
Total activities	<u>\$ 8,659,180</u>	<u>8,659,180</u>	<u>5,716,593</u>	<u>5,716,593</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	\$ 451,614	37,046	-	-	488,660
Restricted:					
Workers' compensation	9,332,686	-	-	-	9,332,686
Unemployment insurance	203,086	-	-	-	203,086
Retirement contribution - ERS	11,928,653	-	-	-	11,928,653
Retirement contribution - TRS	10,795,823	-	-	-	10,795,823
Insurance	3,000,000	-	-	-	3,000,000
Employee benefit accrued liability	10,743,258	-	-	-	10,743,258
Capital repair	1,011,700	-	-	-	1,011,700
Capital projects	11,000,000	-	-	-	11,000,000
Installment purchase debt	-	-	8,868,883	-	8,868,883
Scholarships	-	-	-	121,555	121,555
Extraclassroom activities	-	-	-	292,769	292,769
Total restricted	<u>58,015,206</u>	<u>-</u>	<u>8,868,883</u>	<u>414,324</u>	<u>67,298,413</u>
Assigned:					
General support	737,530	-	-	-	737,530
Instruction	2,726,837	-	-	-	2,726,837
Transportation	23,057	-	-	-	23,057
Employee benefits	176	-	-	-	176
School lunch	-	4,967,538	-	-	4,967,538
Capital projects	-	-	5,407,527	-	5,407,527
Total assigned	<u>3,487,600</u>	<u>4,967,538</u>	<u>5,407,527</u>	<u>-</u>	<u>13,862,665</u>
Unassigned	<u>13,916,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,916,064</u>
Total fund balance	<u>\$ 75,870,484</u>	<u>5,004,584</u>	<u>14,276,410</u>	<u>414,324</u>	<u>95,565,802</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, 2023:

	<u>Balance at</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2023</u>
General Fund:				
Workers' compensation	\$ 8,526,756	805,930	-	9,332,686
Unemployment insurance	200,737	2,349	-	203,086
Retirement contribution - ERS	11,790,702	137,951	-	11,928,653
Retirement contribution - TRS	7,098,093	3,697,730	-	10,798,823
Insurance	3,000,000	-	-	3,000,000
Employee benefit accrued liability	9,885,412	857,846	-	10,743,258
Capital repair	5,000,000	11,700	4,000,000	1,011,700
Capital projects	<u>11,000,000</u>	<u>-</u>	<u>-</u>	<u>11,000,000</u>
Total general fund	\$ <u>56,501,700</u>	<u>5,513,506</u>	<u>4,000,000</u>	<u>58,015,206</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) 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, 2023

	<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	\$ 98,588,275	88,150,005	82,450,072	(5,699,933)
STAR and other real property tax items	19,349	10,457,619	10,446,290	(11,329)
Charges for services	130,000	130,000	289,717	159,717
Use of money and property	323,009	323,009	1,706,421	1,383,412
Sale of property and compensation for loss	8,500	8,500	43,599	35,099
Miscellaneous	1,475,000	1,477,367	4,580,597	3,103,230
State sources	163,728,517	163,728,517	168,378,566	4,650,049
Federal sources	<u>750,000</u>	<u>750,000</u>	<u>1,501,801</u>	<u>751,801</u>
Total revenue	265,022,650	265,025,017	<u>269,397,063</u>	<u>4,372,046</u>
Appropriated reserves	-	4,000,000		
Prior year encumbrances	<u>2,548,850</u>	<u>2,548,850</u>		
Total revenue, appropriated fund balance and prior year encumbrances	<u>\$ 267,571,500</u>	<u>271,573,867</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

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	Actual (Budgetary <u>Basis</u> )	<u>Year-End</u> <u>Encumbrances</u>	Final Budget Variance with Budgetary Actual and <u>Encumbrances</u>
Expenditures:					
General support:					
Board of education	\$ 98,700	105,735	98,922	-	6,813
Central administration	1,278,207	1,327,626	1,322,143	-	5,483
Finance	1,515,300	1,410,982	1,357,839	23,420	29,723
Staff	2,145,000	2,622,906	2,604,921	-	17,985
Central services	22,223,525	19,828,700	17,923,582	714,110	1,191,008
Special items	2,851,500	2,325,037	2,309,778	-	15,259
Instruction:					
Instruction, adm. and imp.	9,003,333	9,211,208	9,103,695	29,108	78,405
Teaching - regular school	70,394,540	71,258,331	70,442,579	536,188	279,564
Programs for children with special needs	48,265,895	47,357,660	45,802,370	996,474	558,816
Teaching - special schools	209,000	8,856	8,828	-	28
Instructional media	5,203,849	3,776,484	2,338,540	971,552	466,392
Pupil services	13,046,392	12,543,027	12,105,000	193,515	244,512
Pupil transportation	23,537,000	22,986,904	22,551,273	23,057	412,574
Community services	21,500	18,000	18,000	-	-
Employee benefits	61,800,250	60,158,334	58,866,336	176	1,291,822
Debt service:					
Principal	3,685,000	10,082,851	9,988,528	-	94,323
Interest	672,500	736,217	619,108	-	117,109
Total expenditures	<u>265,951,491</u>	<u>265,758,858</u>	<u>257,461,442</u>	<u>3,487,600</u>	<u>4,809,816</u>
Other financing uses - transfers to other funds	<u>1,620,009</u>	<u>5,815,009</u>	<u>5,716,593</u>	<u>-</u>	<u>98,416</u>
Total expenditures and other uses	<u>\$267,571,500</u>	<u>271,573,867</u>	<u>263,178,035</u>	<u>3,487,600</u>	<u>4,908,232</u>
Change in fund balance			6,219,028		
Fund balance at beginning of year			<u>69,651,456</u>		
Fund balance at end of year			<u>\$75,870,484</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, 2023

<u>TRS</u>	<u>2023</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)	0.548754%	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)	\$ (10,530,004)	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	\$ 107,939,077	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	9.76%	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	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
<u>ERS</u>									
The District's proportion of the net pension asset (liability)	0.0439200%	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)	\$ (9,418,226)	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	\$ 15,296,523	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	61.57%	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 liability	90.78%	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, 2023

<u>TRS</u>	<u>2023</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>
Contractually required contribution	\$ 11,106,931	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
Contribution in relation to the contractually required contribution	<u>11,106,931</u>	<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>
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>\$107,939,077</u>	<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>
Contribution as a percentage of covered payroll	10.29%	9.80%	9.51%	8.86%	10.62%	10.59%	11.72%	13.26%	17.53%	16.25%
<u>ERS</u>										
Contractually required contribution	\$ 1,685,337	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
Contribution in relation to the contractually required contribution	<u>1,685,337</u>	<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>
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>\$ 15,295,523</u>	<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>
Contribution as a percentage of covered payroll	11.02%	15.35%	13.85%	13.75%	14.07%	14.76%	14.71%	16.40%	19.68%	18.30%

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 15,385,724	16,504,998	15,628,538	6,720,671	5,821,422	6,105,403
Interest on total OPEB liability and service cost	11,095,412	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	(175,163)	113,586,262	(142,345)	(66,215,537)	-	-
Changes of assumptions or other inputs	(33,016,177)	(89,770,129)	2,666,499	90,313,194	12,149,455	(9,255,857)
Benefit payments	<u>(7,961,356)</u>	<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	(14,671,560)	37,770,107	17,991,339	34,303,171	22,001,772	(2,833,465)
Total OPEB liability - beginning	<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>	<u>192,757,126</u>
Total OPEB liability - ending	<u>\$287,318,490</u>	<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	\$104,030,797	96,609,307	97,913,567	94,283,355	106,004,689	101,470,786
Total OPEB liability as a percentage of covered payroll	276.19%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.13%	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, 2023

Change from adopted budget to final budget:

Adopted budget	\$ 265,022,650
Add prior year's encumbrances	<u>2,548,850</u>
Original budget	267,571,500
Add additional revenues and reserves	<u>4,002,367</u>
Final budget	<u><u>\$ 271,573,867</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2023-2024 voter approved expenditure budget	<u>\$ 292,518,411</u>
Maximum allowed 4% of 2023-2024 budget	<u><u>11,700,736</u></u>

General fund fund balance subject to Section 1318 of  
 Real Property Tax Law\*:

Unrestricted fund balance:	
Encumbrances	\$ 3,487,600
Unassigned fund balance	<u>13,916,064</u>
Total unrestricted fund balance	17,403,664
Less encumbrances	<u>3,487,600</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 13,916,064</u></u>
Actual percentage	4.76%

\* 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, 2023

Project title	Original Appropriation	Revised Appropriation	Expenditures and Obligations to Date			Unexpended Balance	Methods of Financing				Fund Balance 6/30/2023
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Excel Projects	\$ 56,905,000	56,905,000	48,357,392	-	48,357,392	8,547,608	30,000,000	6,956,885	#####	49,575,853	1,218,461
2017 Capital Projects	39,470,000	39,470,000	33,715,063	1,691,473	35,406,536	4,063,464	-	-	#####	38,400,000	2,993,464
EPC Project	24,800,000	24,800,000	17,850,275	77,834	17,928,109	6,871,891	24,800,000	-	-	24,800,000	6,871,891
Smart Schools	10,398,033	10,398,033	982,883	1,214,892	2,197,775	8,200,258	-	-	-	-	(2,197,775)
Repair Reserve #1 (2016)	5,000,000	5,000,000	4,267,800	687,972	4,955,772	44,228	-	-	5,000,000	5,000,000	44,228
Repair Reserve #2 (2022)	5,000,000	5,000,000	-	588,955	588,955	4,411,045	-	-	3,809,070	3,809,070	3,220,115
STEM Labs	-	2,950,000	-	823,974	823,974	2,126,026	-	-	2,950,000	2,950,000	2,126,026
	<u>\$141,573,033</u>	<u>#####</u>	<u>#####</u>	<u>5,085,100</u>	<u>#####</u>	<u>34,264,520</u>	<u>54,800,000</u>	<u>6,956,885</u>	<u>#####</u>	<u>124,534,923</u>	<u>14,276,410</u>

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Other Supplementary Information  
Net Investment in Capital Assets  
June 30, 2023

Capital assets, net		\$ 231,842,133
Add - unspent proceeds - energy performance contract		8,868,883
Deduct:		
Installment purchase debt	\$ (5,891,767)	
Capital lease obligations	<u>(2,064,127)</u>	<u>(7,955,894)</u>
Net investment in capital assets		<u><u>\$ 232,755,122</u></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 aggregate remaining fund information of William Floyd Union Free School District (the District), as of and for the year ended June 30, 2023, and the related notes to financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2023.

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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

## The District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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  
October 23, 2023

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Federal Grant Compliance Audit  
June 30, 2023

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, 2023. 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, 2023.

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  
October 23, 2023

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

<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	\$ 1,640,382	-
National School Lunch Program	10.555	N/A	4,237,791	-
Summer Food Service Program for Children	10.559	N/A	430,257	-
Total Child Nutrition Cluster			6,308,430	-
Passed-through New York State Department of Health - Child and Adult Care Food Program	10.558	N/A	130,640	-
Total U.S. Department of Agriculture			6,439,070	-
<u>U.S. Department of Education</u>				
Passed-through New York State Education Department:				
Special Education Cluster:				
Special Education - Grants to States	84.027	0032-23-0894	2,579,119	-
COVID-19 Special Education - Grants to States	84.027X	5532-23-0894	245,467	-
Special Education - Preschool Grants	84.173	0033-32-0984	225,999	-
COVID-19 Special Education - Preschool Grants	84.173X	5533-23-0894	26,385	-
Total Special Education Cluster			3,076,970	-
Title I Grants to Local Educational Agencies	84.010	0011-22-3164	605	-
Title I Grants to Local Educational Agencies	84.010	0011-23-3164	17,843	-
Title I Grants to Local Educational Agencies	84.010	0021-22-3025	20,477	-
Title I Grants to Local Educational Agencies	84.010	0021-23-3025	1,777,299	-
Total Title I Grants to Local Educational Agencies			1,816,224	-
Career and Technical Education - Basic Grants to States	84.048	8000-23-0094	59,693	-
English Language Acquisition State Grants	84.365	0149-23-3025	64,449	-
English Language Acquisition State Grants	84.365	0293-22-3025	19,406	-
English Language Acquisition State Grants	84.365	0293-23-3025	112,418	-
Total English Language Acquisition State Grants			196,273	-
Supporting Effective Instruction State Grants	84.367	0147-22-3025	12,800	-
Supporting Effective Instruction State Grants	84.367	0147-23-3025	254,187	-
Total Supporting Effective Instruction State Grants			266,987	-
Student Support and Academic Enrichment Grants	84.424	0204-22-3025	58,201	-
Student Support and Academic Enrichment Grants	84.424	0204-23-3025	106,284	-
Total Student Support and Academic Enrichment Grants			164,485	-
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-3025	2,809,814	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-3025	3,572,014	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-3025	27,698	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-3025	574,757	-
Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-3025	2,463,785	-
Elementary and Secondary School Emergency Relief Fund	84.425W	5218-21-3025	15,808	-
Total COVID-19 Education Stabilization Fund			9,463,876	-
Total U.S. Department of Education			15,044,508	-
Total Expenditures of Federal Awards			\$ 21,483,578	-

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, 2023

(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, 2023. 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, 2023

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? x Yes \_\_\_ 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
- COVID-19 Education Stabilization Fund 84.425D/84.425U/84.425W
- Title 1 Grants to Local Educational Agencies 84.010

- 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

See page 70.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs, Continued

Reference: 2023-001

Criteria - NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget of the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts assigned for the subsequent year and encumbrances are also excluded from the 4% limitation.

Condition - The District's unrestricted fund balance at June 30, 2023 after excluding amounts assigned for encumbrances, was in excess of the New York State Real Property Tax Law §1318 limit. For the fiscal year ended June 30, 2023, this portion of the District's unrestricted fund balance is \$13,916,064, which is 4.76% of the 2023-24 voter approved General Fund budget.

Cause - The District did not appropriate or restrict unassigned fund balance when needed to be in compliance with NYS Real Property Tax Law §1318.

Effect - The District is not in compliance with NYS Real Property Tax Law §1318.

Recommendation - We recommend that the District develop a plan to rationally appropriate unassigned fund balance so as to be in compliance with NYS Real Property Tax Law §1318.

Management Response - See Corrective Action Plan on page 72.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Status of Prior Audit Findings  
Year ended June 30, 2023

There were no findings reported for the year ended June 30, 2022.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
Corrective Action Plan  
Year ended June 30, 2023

Name of Auditee: William Floyd Union Free School District

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended June 30, 2022

CAP Prepared by: David Beggins, Assistant Superintendent of Business

Phone: (631) 874-1684

(A) Current Finding on the Schedule of Findings and Questioned Costs

(1) Finding 2023-001

Management's Response

The District will be making an additional payment of \$3,000,000 on December 1, 2023 towards the outstanding balance of its installment purchase debt. This will allow the District to pay off the remainder of the balance by December 1, 2025 and provide a savings to the taxpayers of approximately \$300,000 to \$400,000 over the life of the loan.

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Fund and  
Independent Auditors' Report

June 30, 2023

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, 2023, 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, 2023, 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 is 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  
October 23, 2023

WILLIAM FLOYD UNION FREE SCHOOL DISTRICT  
 Extraclassroom Activity Fund  
 Statement of Cash Receipts, Cash Disbursements, and Cash Balances  
 Year ended June 30, 2023

<u>Extraclassroom Activity</u>	Cash Balances at <u>July 1, 2022</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Cash Balances at <u>June 30, 2023</u>
William Floyd High School:				
Athletics	\$ 7,993	7,915	(8,226)	7,682
Bible Club	6	-	-	6
Billy Floyd's Closet	5,128	1,955	(4,140)	2,943
Black Student Union	399	38	-	437
Business Honor Society	577	11,100	(9,209)	2,468
Business Service Club	-	3,734	(3,434)	300
Chamber Players	61	10,270	(10,146)	185
Class of 2022	6,613	1,413	(8,026)	-
Class of 2023	4,075	98,102	(90,605)	11,572
Class of 2024	5,346	2,574	(825)	7,095
Class of 2025	6,290	1,930	(3,964)	4,256
Class of 2026	-	7,524	(2,947)	4,577
CTE	306	1,502	(1,638)	170
CTE - Barbering	86	1,065	(1,000)	151
CTE - Culinary	24,739	3,960	(9,237)	19,462
CTE - Carpentry	2,172	-	(1,520)	652
CTE - Cosmetology	777	3,793	(3,306)	1,264
CTE - GIC	825	-	-	825
CTE - Medical Assisting	3,266	-	(160)	3,106
Field Trips	1	2,724	(2,724)	1
Floyd Features Video Club	1,804	5,000	-	6,804
Floyd Academy- SGC	1,632	-	-	1,632
Foreign Language Honor Society	2,102	1,740	(1,670)	2,172
Future Business Leaders of America	3,061	1,067	(969)	3,159
Hispanic Heritage	-	1,632	(1,616)	16
Gay-Straight Alliance	-	25	-	25
General Fund	12	2,605	-	2,617
Interact Club	166	-	-	166
Key Club	431	-	-	431
Literary Magazine	295	868	(900)	263
Medical Club	1,992	1,957	(1,789)	2,160
Music Club	1,419	3,967	(3,964)	1,422
National Art Honor Society	1,590	6,459	(4,996)	3,053
National Honor Society	2,714	3,397	(1,800)	4,311
Technology EDU	1,000	250	-	1,250
Robotics	2,164	4,162	(4,170)	2,156

(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, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balances at June 30, 2023</u>
William Floyd High School, Continued				
Rockettes (Kickline)	\$ 2,390	3,998	(4,675)	1,713
ROTC Leadership Club	1,155	98	(38)	1,215
ROTC Program	6,664	10,124	(5,739)	11,049
Sales Tax Payable	1,457	6,712	(7,611)	558
Science Honor Society	757	5,608	(5,162)	1,203
Select Choir	2,993	37,760	(38,907)	1,846
Sound and Light	210	-	-	210
Stage Band/Jazz Ensemble	960	8,261	(8,326)	895
Student Council	3,718	34,599	(34,903)	3,414
Tri-M (Modern Music Masters)	1,566	4,589	-	6,155
Vocal Ensemble	256	37,988	(36,569)	1,675
Yearbook	10,386	15,232	(11,612)	14,006
Youth and Government	126	-	-	126
Total William Floyd High School	<u>121,680</u>	<u>357,697</u>	<u>(336,523)</u>	<u>142,854</u>
William Paca Middle School:				
6th Grade Class Council	359	650	(345)	664
7th Grade Class Council	675	6,744	(2,286)	5,133
8th Grade Class Council	290	19,478	(19,336)	432
Art Club	-	503	-	503
Bridge Crew	-	7,395	(2,070)	5,325
Community of Unity	63	-	-	63
Drama Club	-	401	(134)	267
Environmental Science	35	-	-	35
Fitness Club	-	317	(93)	224
Garden Club	1,998	1,328	(784)	2,542
Girl's Chorus	535	19,007	(19,180)	362
Home and Career	175	327	(232)	270
Honor Society	11,584	6,747	(9,341)	8,990
Jazz Band	108	-	-	108
Judo Club	101	-	-	101
Math Club	419	-	(170)	249
Robotics	88	-	-	88
Sales Tax Payable	1,763	2,464	(2,985)	1,242
School Store	-	4,927	(2,086)	2,841
Science Research	-	56	(51)	5
Sound and Light	-	263	(50)	213

(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, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balances at June 30, 2023</u>
William Paca Middle School, Continued:				
Stony Brook STEP	\$ -	980	(554)	426
Student Council	29,372	33,009	(32,329)	30,052
Woodworking Club	813	-	-	813
Yearbook	2,058	-	-	2,058
Total William Paca Middle School	<u>50,436</u>	<u>104,596</u>	<u>(92,026)</u>	<u>63,006</u>
William Floyd Middle School:				
6th Grade Advisory	9,096	13,404	(14,295)	8,205
7th Grade Advisory	1,848	5,655	(5,311)	2,192
Concert Band	2,307	19,886	(19,561)	2,632
Festival Orchestra	384	4,481	(4,476)	389
Latin Dance Club	-	280	(125)	155
Environmental Club	-	188	(51)	137
Mixed Chorus	65	6,693	(6,542)	216
Garden Club	2,060	-	-	2,060
Honor Society	3,505	2,592	(2,891)	3,206
Sales Tax Payable	1,088	11,173	(10,962)	1,299
Student Council	8,634	9,981	(12,547)	6,068
Student Council PBS	3,571	1,337	(1,473)	3,435
Yearbook	2,970	3,974	(2,366)	4,578
Total William Floyd Middle School	<u>35,528</u>	<u>79,644</u>	<u>(80,600)</u>	<u>34,572</u>
William Floyd Elementary School	<u>34,489</u>	<u>45,706</u>	<u>(27,858)</u>	<u>52,337</u>
Grand Total	<u>\$ 242,133</u>	<u>587,643</u>	<u>(537,007)</u>	<u>292,769</u>

See accompanying note to financial statement.



WILLIAM FLOYD UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Funds

Note to Financial Statement

June 30, 2023

(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.