

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Hewlett-Woodmere Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Hewlett-Woodmere Union Free School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension asset/(liability), the schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability and related ratios on pages 1 through 15 and 62 through 66, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

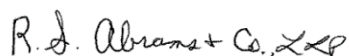
information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is 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 4, 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 the District's internal control over financial reporting and compliance.



R.S. Abrams & Co., LLP
Islandia, New York
October 4, 2023

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The following is a discussion and analysis of the Hewlett-Woodmere Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2023. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The District maintained an unassigned fund balance in the general fund of 4.00%, which is the maximum permitted by Real Property Tax Law Section 1318 and within the guidelines established under Board of Education policy, for the fiscal year ended June 30, 2023.
- On the District-Wide Financial Statements, revenues increased by \$7,008,865 or 5.28%. The increase was primarily in charges for services, use of money and property, and state sources. On the District-Wide Financial Statements, expenses increased by \$15,329,893 or 13.80%, primarily due to the actuarial valuations provided by the State for the District's pension systems, which resulted in the District reporting net pension liabilities for both systems in 2023 as opposed to net pension assets in 2022. The majority of the related pension expense were allocated to general support and instruction.
- The District's total net position, as reflected in the District-Wide Financial Statements, increased by \$13,382,224, or 27.46%.
- On the Fund Financial Statements, the District's fund balance in the general fund decreased by \$6,412,934, or 8.41%, due to expenditures and other financing uses exceeding revenues based on the modified accrual basis of accounting.
- On May 16, 2023, the proposed 2023-24 budget in the amount of \$135,017,834 was authorized by the District's residents. This is an increase of \$4,431,620 or 3.39% over the previous year's budget, which is primarily due to increases in instruction and employee benefits.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

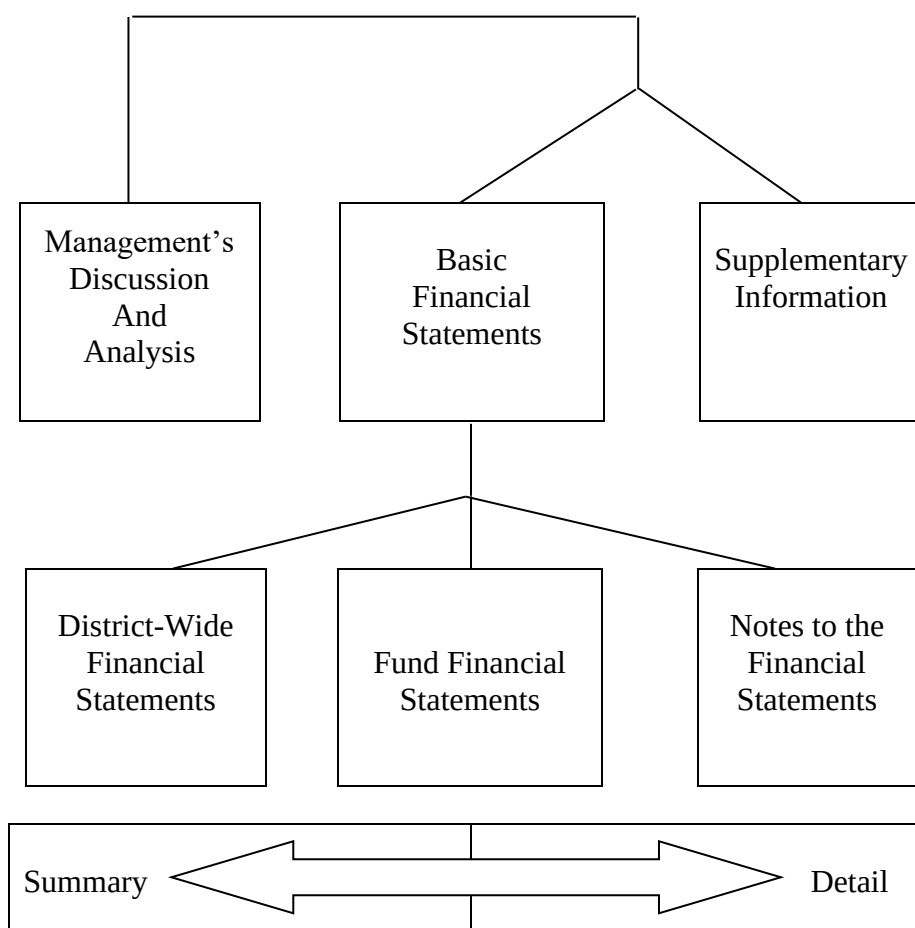
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Financial Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary Funds Financial Statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The table below shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital or intangible lease assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) short-term and long-term; these funds do not currently contain capital or intangible lease assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

A) District-Wide Financial Statements

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the financial health or position of the District.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets and intangible lease assets are reported as expenditures when financial resources (money) are expended to purchase, build, or finance said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation expense and amortization expense are not calculated if it does not provide or reduce current financial resources. Finally, capital assets, intangible lease assets, and long-term liabilities are all accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets and intangible lease assets;
- Report long-term debt as a liability;
- Depreciate capital assets and amortize intangible lease assets, and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- *Unrestricted net position* includes net amounts that do not meet any of the above restrictions.

B) Fund Financial Statements

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Fund Financial Statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, capital projects fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund:* The District is the trustee or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position

The District's overall net position increased by \$13,382,224 in the fiscal year ended June 30, 2023 as detailed below.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Total Percentage Change
Current assets	\$129,340,864	\$115,579,675	\$13,761,189	11.91%
Non-current assets	95,016,732	95,929,279	(912,547)	-0.95%
Net pension asset-proportionate share	-	53,699,891	(53,699,891)	-100.00%
Total Assets	<u>224,357,596</u>	<u>265,208,845</u>	<u>(40,851,249)</u>	-15.40%
Deferred outflows of resources	<u>44,797,042</u>	<u>47,988,896</u>	<u>(3,191,854)</u>	-6.65%
Total Assets and Deferred Outflows of Resources	<u>269,154,638</u>	<u>313,197,741</u>	<u>(44,043,103)</u>	-14.06%
Current liabilities	14,097,636	11,901,419	2,196,217	18.45%
Long-term liabilities	136,959,440	126,435,095	10,524,345	8.32%
Total Liabilities	<u>151,057,076</u>	<u>138,336,514</u>	<u>12,720,562</u>	9.20%
Deferred inflows of resources	<u>55,974,254</u>	<u>126,120,143</u>	<u>(70,145,889)</u>	-55.62%
Total Liabilities and Deferred Inflows of Resources	<u>207,031,330</u>	<u>264,456,657</u>	<u>(57,425,327)</u>	-21.71%
Net Position				
Net investment in capital assets	90,633,790	89,191,756	1,442,034	1.62%
Restricted	87,580,058	80,313,286	7,266,772	9.05%
Unrestricted (deficit)	<u>(116,090,540)</u>	<u>(120,763,958)</u>	<u>4,673,418</u>	-3.87%
Total Net Position	<u>\$62,123,308</u>	<u>\$48,741,084</u>	<u>\$13,382,224</u>	27.46%

Current assets increased \$13,761,189 from 2022 to 2023. This was primarily attributable to increases in cash and cash equivalents, state and federal aid receivable, and due from other governments.

Non-current assets decreased by \$912,547 from 2022 to 2023. This was due to current year's depreciation and amortization expense exceeding capital asset additions.

The District's net pension asset – proportionate share for pension systems decreased by \$53,699,891 as a result of the actuarial valuations provided by the State resulting in a net pension liability in 2022-2023, compared with a net pension asset in 2021-2022.

The change in deferred outflows of resources represents amortization on the deferred amounts on refunding, as well as the amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, and the amortization of deferred outflows related to the total other post-employment benefits obligation, as discussed in Notes 12, 13, and 15, respectively.

Current liabilities increased by \$2,196,217 from 2022 to 2023. This was primarily attributable to increases in due to other governments and due to teachers' retirement system.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term liabilities increased by \$10,524,345 from 2022 to 2023. This is primarily due to changes in actuarial valuations for pensions, which resulted in net pension liabilities for both pension systems as of June 30, 2023, as opposed to net pension assets as of June 30, 2022. This increase was partially offset by decreases in lease liability, bonds payable, energy performance contract debt payable as a result of principal payments made in the current year.

The change in deferred inflows is primarily the result of amortization of pension and OPEB related items, as discussed in Notes 13 and 15.

The net investment in capital assets, relates to the investment in capital assets and intangible lease assets at cost (and at the present value of remaining future lease payments remaining on the lease term for intangible lease assets) such as land and land improvements, construction in progress, buildings & building improvements, and furniture & equipment, net of accumulated depreciation and amortization and related debt. This number increased from over the prior year by \$1,442,034, primarily due to a reduction in lease liability, bonds payable, and energy performance contract debt payable, and current year additions and capital outlay, partially offset by current year amortization, depreciation and loss on disposals.

The restricted net position at June 30, 2023 of \$87,580,058 relates to the District's reserves and restricted amounts for capital projects, scholarships and donations, and debt service. Restricted net position increased by \$7,266,772 from 2022 to 2023.

The unrestricted net deficit at June 30, 2023 of \$116,090,540 relates to the balance of the District's net position. The unrestricted net deficit decreased by \$4,673,418.

B) Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2023 and 2022 are as follows:

Change in Net Position from Operating Results

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Total Percentage Change
Revenues				
Program Revenues				
Charges for services	\$3,150,905	\$2,089,071	\$1,061,834	50.83%
Operating grants and contributions	4,521,636	4,335,352	186,284	4.30%
Capital grants	-	72,188	(72,188)	-100.00%
General Revenues				
Real property taxes and other tax items	111,199,511	110,915,832	283,679	0.26%
Use of money and property	2,240,590	259,163	1,981,427	764.55%
State sources	16,640,600	13,782,631	2,857,969	20.74%
Other	2,033,949	1,324,089	709,860	53.61%
Total Revenues	<u>139,787,191</u>	<u>132,778,326</u>	<u>7,008,865</u>	5.28%
Expenses				
General support	17,958,661	16,637,879	1,320,782	7.94%
Instruction	97,419,972	84,851,368	12,568,604	14.81%
Pupil transportation	8,694,367	7,546,523	1,147,844	15.21%
Community service	872,731	629,774	242,957	38.58%
Debt service - interest	24,446	117,022	(92,576)	-79.11%
Food service program	1,434,790	1,292,508	142,282	11.01%
Total Expenses	<u>126,404,967</u>	<u>111,075,074</u>	<u>15,329,893</u>	13.80%
Change in Net Position	<u>\$13,382,224</u>	<u>\$21,703,252</u>	<u>(\$8,321,028)</u>	-38.34%

The District's fiscal year 2023 revenues totaled \$139,787,191. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 79.55% and 11.90%, respectively of total revenue. The remainder came from fees charged for services, operating grants and contributions, use of money and property, and other miscellaneous sources.

The cost of all programs and services totaled \$126,404,967 for fiscal year 2023. These expenses are predominantly related to general instruction, caring for (pupil services) and transporting students, which account for 83.95% of District expenses. The District's general support activities accounted for 14.21% of total costs.

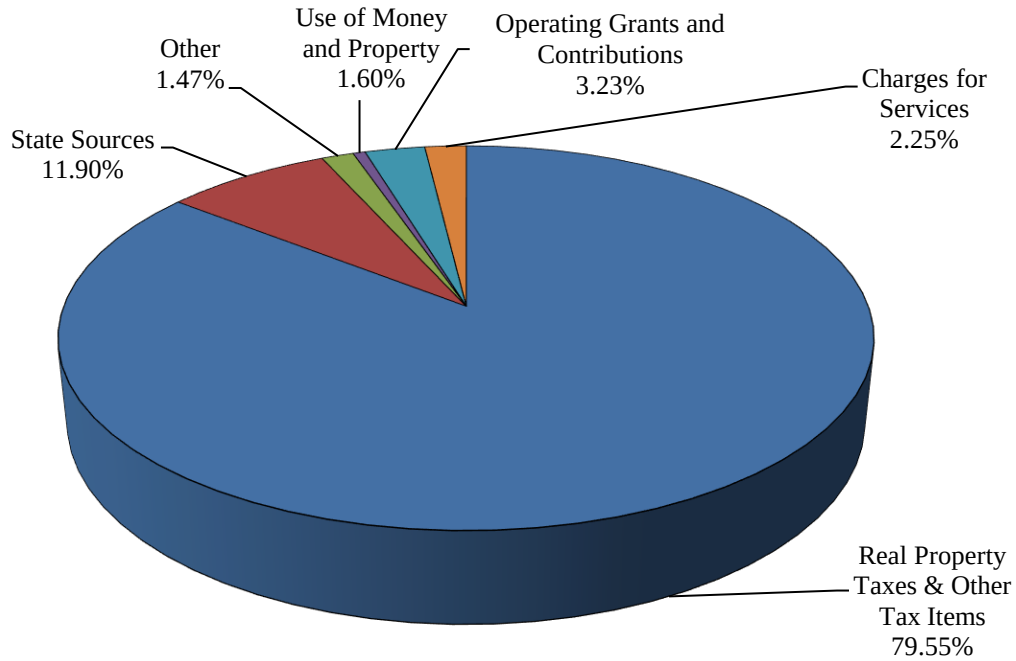
Users of the District's programs financed \$3,150,905 of the cost, reflecting an increase of \$1,061,834.

Federal and state governments along with outside donors subsidized certain programs with operating grants and contributions of \$4,521,636, reflecting an increase of \$186,284.

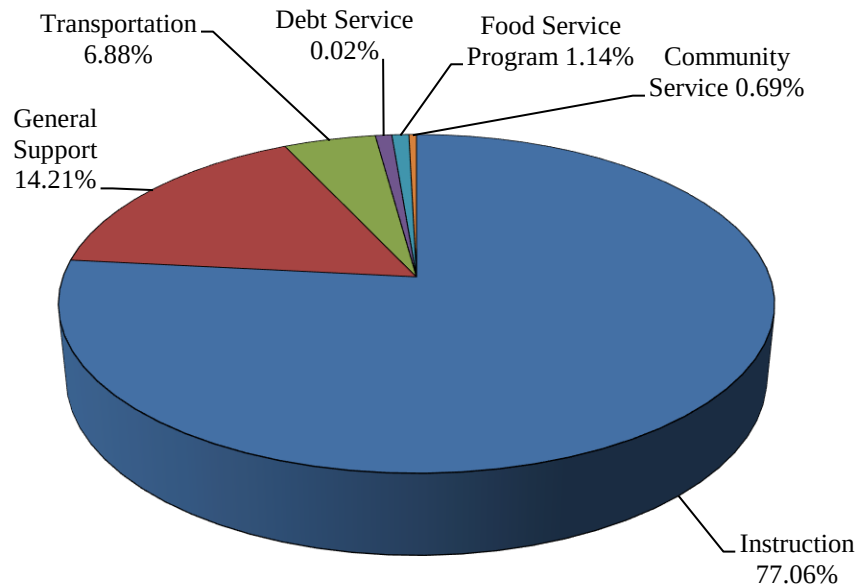
Most of the District's net costs of \$118,732,426 were financed by real property taxes and other tax items, and state sources, which accounted for 91.45% of total revenues.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues for Fiscal Year 2023



Expenses for Fiscal Year 2023



**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets and intangible lease assets purchased and financed by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets and intangible lease assets, and the current payments for debt.

As of June 30, 2023, the District's combined governmental funds reported a total fund balance of \$110,866,584. See table on the following page for more information.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

A summary of the change in fund balance for the various funds are as follows:

	Fiscal Year 2023	As Restated Fiscal Year 2022	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted for workers' compensation	\$11,205,068	\$11,541,552	(\$336,484)	-2.92%
Restricted for unemployment insurance	3,990,497	3,037,128	953,369	31.39%
Restricted for retirement contribution - ERS	23,647,045	21,344,644	2,302,401	10.79%
Restricted for retirement contribution - TRS	5,018,598	4,029,093	989,505	24.56%
Restricted for property loss	1,918,092	1,447,583	470,509	32.50%
Restricted for liability	2,714,740	2,370,325	344,415	14.53%
Restricted for employee benefit accrued liability	1,427,270	1,407,331	19,939	1.42%
Restricted for capital	3,208,237	18,743,907	(15,535,670)	-82.88%
Restricted for repair	9,893,185	8,916,854	976,331	10.95%
Assigned - general support	605,769	559,125	46,644	8.34%
Assigned - instruction	658,789	880,231	(221,442)	-25.16%
Assigned - pupil transportation	106,633	30,224	76,409	252.81%
Assigned - community services	14,003	1,893	12,110	639.73%
Assigned - employee benefits	6,836	53,105	(46,269)	-87.13%
Unassigned*	5,400,713	1,865,414	3,535,299	189.52%
Total Fund Balance - General Fund	69,815,475	76,228,409	(6,412,934)	-8.41%
School Lunch Fund				
Nonspendable	41,827	47,754	(5,927)	-12.41%
Assigned	434,256	332,612	101,644	30.56%
Total Fund Balance - School Lunch Fund	476,083	380,366	95,717	25.16%
Miscellaneous Special Revenue Fund				
Restricted - Scholarships and donations	511,175	535,119	(23,944)	-4.47%
Assigned unappropriated	191,048	205,837	(14,789)	-7.18%
Total Fund Balance - Miscellaneous Special Revenue Fund	702,223	740,956	(38,733)	-5.23%
Capital Projects Fund				
Restricted				
Capital	22,763,822	5,805,595	16,958,227	292.10%
Unspent bond proceeds	49,218	124,858	(75,640)	-60.58%
Assigned	15,777,434	15,267,769	509,665	3.34%
Total Fund Balance - Capital Projects Fund	38,590,474	21,198,222	17,392,252	82.05%
Debt Service Fund				
Restricted	1,282,329	1,134,155	148,174	13.06%
Total Fund Balance - Debt Service Fund	1,282,329	1,134,155	148,174	13.06%
Total Fund Balance	\$110,866,584	\$99,682,108	\$11,184,476	11.22%

*General fund unassigned fund balance for 2022 has been restated to account for adjustments identified by the District for due from other governments for tuition billings deemed to be uncollectible in the District's period of availability. As such, these unavailable revenues were reclassified to deferred inflows of resources in the general fund. Refer to Note 20 for further information.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The District can attribute changes to fund balances and reserves primarily due to operating results, Board approved transfers, and allocation of interest and earnings. The changes in the assigned fund balance are attributable to a decrease in encumbrances as of June 30, 2023.

A) General Fund:

Fund balance in the general fund decreased \$6,412,934 from the prior year, as a result of expenditures and other financing uses exceeding revenues. Revenues and other financing sources increased \$5,534,269 or 4.31% compared to the prior year, primarily due to increases in real property taxes, state sources, use of money and property and miscellaneous revenues.

Expenditures and other financing uses increased by \$19,067,574 or 15.71% compared to the prior year, primarily due to increases in instruction, pupil transportation, employee benefits, and interfund transfers. The significant increase in interfund transfers out was the result of the voter approved referendum on May 16, 2023 for the use of the capital reserve in the amount of \$17,209,455 to fund various capital projects in the capital projects fund.

B) School Lunch Fund:

The increase in fund balance in the school lunch fund of \$95,717 is due to the operating results of the program in addition to an interfund transfer from general fund in the amount of \$23,500.

C) Miscellaneous Special Revenue Fund:

Fund balance in the miscellaneous special revenue fund decreased by \$38,773. This decrease is due to a reduction in the balance for scholarships and donations and for extraclassroom activities, as donations and extraclassroom cash receipts exceeded scholarships awarded and extraclassroom cash disbursements.

D) Capital Projects Fund:

The increase in fund balance in the capital projects fund of \$17,392,252 is a result of budgetary interfund transfer from the general fund of \$4,000,000, and an additional transfer from general fund capital reserve as approved by the voters for \$17,209,455, partially offset by current year's capital outlay of \$3,889,392.

D) Debt Service Fund:

Fund balance in the debt service fund increased by \$148,174. This increase was the result of the current year's interest earnings.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2022-23 Budget

The District's general fund adopted budget for the fiscal year ended June 30, 2023 was \$130,586,214. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,524,578 and budget revisions of \$17,348,622, which resulted in a final budget of \$149,459,414. The majority of the funding was provided by real property taxes and other tax items revenue budget of \$111,273,123.

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is a component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to restricted fund balances and designations to fund subsequent years' budgets. It is this balance that is commonly referred to as "Fund Balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance, as restated	\$ 1,865,414
Revenues over budget	4,251,393
Expenditures, encumbrances, and other financing uses under budget	7,623,843
Interest allocated to reserves	(879,502)
Funding to reserves	(7,153,435)
Unused appropriated reserves	(307,000)
Closing, unassigned fund balance	<u>\$ 5,400,713</u>

The opening unassigned fund balance, as restated, of \$1,865,414 is the June 30, 2022 unassigned fund balance.

The revenues over budget of \$4,251,393 were primarily from charges for services, use of money and property, miscellaneous revenues, and state sources.

The expenditures, encumbrances, and other financing uses under budget of \$7,623,843 reflect savings across the budget, but primarily with lower than anticipated expenses for general support of \$684,612, instructional of \$4,424,817, and employee benefits of \$1,971,732.

The District allocated interest to the reserves in the amount of \$879,502 as follows: \$163,516 to the workers' compensation reserve, \$43,029 to the unemployment insurance reserve, \$302,402 to the ERS retirement contribution reserve, \$57,082 to the TRS retirement contribution reserve, \$20,509 to the property loss reserve, \$33,582 to the liability reserve, \$19,938 to the employee benefit accrued liability reserve, \$113,114 to the capital reserve, and \$126,330 to the repair reserve.

The District funded the reserves in the amount of \$7,153,435 to the following reserves: unemployment insurance reserve of \$910,340, ERS retirement contribution reserve of \$2,000,000,

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

TRS retirement contribution reserve of \$932,423, liability reserve of \$450,000, property loss reserve of \$450,000, repair reserves of \$850,000 and capital reserve of \$1,560,672.

The District had budgeted for appropriated use of the ERS retirement contribution reserve in the amount of \$307,000, of which \$307,000 was not utilized and therefore was transferred back to the respective reserve.

The closing, unassigned fund balance of \$5,400,713 represents the fund balance retained by the District that is not restricted or designated for subsequent year's taxes. This amount is limited to 4% of the 2023-2024 budget. The District was in compliance with this limit.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

The District paid for equipment and various building additions and renovations during the fiscal year 2023. A summary of the District's capital assets and intangible lease assets net of accumulated depreciation and accumulated amortization are as follows:

Category	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percentage Change
Land	\$5,159,600	\$5,159,600	\$ -	0.00%
Construction in progress	34,361,850	30,472,458	3,889,392	12.76%
Buildings & improvements	110,178,767	110,178,767	-	0.00%
Furniture & equipment	6,917,977	6,953,034	(35,057)	-0.50%
Land improvements	4,246,701	4,246,701	-	0.00%
Vehicles	915,926	987,177	(71,251)	-7.22%
Subtotal	161,780,821	157,997,737	3,783,084	2.39%
Less: accumulated depreciation	66,885,801	62,291,815	4,593,986	7.37%
Total Capital Assets, net	\$94,895,020	\$95,705,922	(\$810,902)	-0.85%
Intangible Lease Assets, net	\$81,491	\$ 170,389	(\$88,898)	-52.17%

Depreciation expense and loss on disposals was \$5,065,845 and amortization expense was \$88,898 for the fiscal year ended June 30, 2023. See Note 9 to the financial statements for additional detail.

B) Long-Term Debt

At June 30, 2023, the District had total debt payable, including bonds payable (inclusive of unamortized premiums), lease liability, and energy performance contract debt payable of \$4,462,213. The decrease in long-term debt represents principal payments and amortization of bond

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

premiums. More detailed information about the District's long-term debt is presented in the Note 11 to the financial statements.

A summary of outstanding debt at June 30, 2023 and 2022 is as follows:

	2023	2022	Increase (Decrease)
Bonds payable (inclusive of unamortized premiums)	\$3,953,810	\$5,955,500	(\$2,001,690)
Lease Liability	81,695	170,602	(88,907)
Energy performance contract debt payable	426,708	837,914	(411,206)
	<u>\$4,462,213</u>	<u>\$6,964,016</u>	<u>(\$2,501,803)</u>

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- The general fund budget for the 2023-24 school year, in the amount of \$135,017,834, was approved by voters. This is an increase of \$4,431,620 or 3.39% over the previous year's budget, which is primarily due to increases in instruction and employee benefits.
- New York State law limits the increase in property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2023-2024 is 0.00%. The District's 2023-2024 property tax increase of 0.00% did not require an override vote as it was under the tax cap limit.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Hewlett-Woodmere Union Free School District
Ms. Marie Donnelly
Assistant Superintendent for Finance and Personnel
One Johnson Place
Woodmere, New York 11598
(516) 792-4803
mdonnelly@hewlett-woodmere.net

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit 2

ASSETS

Current assets

Cash and cash equivalents	
Unrestricted	\$29,007,689
Restricted	87,629,276
Receivables	
State and federal aid	3,315,657
Taxes receivable	3,219,539
Due from other governments	6,088,949
Accounts receivable	37,927
Inventory	41,827

Non-current assets

Receivable within one year	
Lease receivable	13,007
Receivable after one year	
Lease receivable	27,214
Capital assets	
Capital assets not being depreciated	39,521,450
Capital assets being depreciated, net of accumulated depreciation	55,373,570
Intangible lease asset, net of accumulated amortization	81,491

TOTAL ASSETS

\$224,357,596

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding	70,274
Pensions	34,844,351
Other post-employment benefits obligation	9,882,417

TOTAL DEFERRED OUTFLOWS OF RESOURCES

44,797,042

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

269,154,638

LIABILITIES

Payables

Accounts payable	2,695,518
Accrued liabilities	1,267,191
Accrued interest payable	32,602
Due to other governments	3,178,077
Due to employees' retirement system	423,003
Due to teachers' retirement system	5,724,516

Unearned credits

Collections in advance	776,729
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Long-term liabilities

Due and payable within one year	
Bonds payable (inclusive of unamortized premiums)	2,044,608
Lease liability	81,695
Energy performance contract debt payable	426,708
Compensated absences payable	132,942
Termination benefits payable	186,987
Due and payable after one year	
Bonds payable (inclusive of unamortized premiums)	1,909,202
Compensated absences payable	2,532,400
Termination benefits payable	192,161
Workers' compensation claims payable	6,802,565
Net pension liability - proportionate share - employees' retirement system	7,976,587
Net pension liability - proportionate share - teachers' retirement system	5,436,071
Total other post-employment benefits obligation	109,237,514

TOTAL LIABILITIES

151,057,076

DEFERRED INFLOWS OF RESOURCES

Leases	40,221
Pensions	2,951,559
Other post-employment benefits obligation	52,982,474

TOTAL DEFERRED INFLOWS OF RESOURCES

55,974,254

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

207,031,330

NET POSITION

Net investment in capital assets

90,633,790

Restricted:

Workers' compensation	11,205,068
Unemployment insurance	3,990,497
Retirement contributions - ERS	23,647,045
Retirement contributions - TRS	5,018,598
Property loss	1,918,092
Liability	2,714,740
Employee benefit accrued liability	1,427,270
Capital	25,972,059
Repair	9,893,185
Scholarships and donations	511,175
Debt service	1,282,329

87,580,058

Unrestricted

(116,090,540)

TOTAL NET POSITION

\$62,123,308

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	(\$17,958,661)			(\$17,958,661)
Instruction	(97,419,972)	2,408,364	\$3,792,195	(91,219,413)
Pupil transportation	(8,694,367)			(8,694,367)
Community services	(872,731)			(872,731)
Debt service-interest	(24,446)			(24,446)
Food service program	(1,434,790)	742,541	729,441	37,192
TOTAL FUNCTIONS AND PROGRAMS	<u>(\$126,404,967)</u>	<u>\$3,150,905</u>	<u>\$4,521,636</u>	<u>(118,732,426)</u>
GENERAL REVENUES				
Real property taxes				103,588,362
Other tax items - including STAR reimbursement				7,611,149
Use of money & property				2,240,590
Sale of property & compensation for loss				76,852
Miscellaneous				1,850,925
State sources				16,640,600
Medicaid reimbursement				106,172
TOTAL GENERAL REVENUES				<u>132,114,650</u>
CHANGE IN NET POSITION				13,382,224
TOTAL NET POSITION - BEGINNING OF YEAR				<u>48,741,084</u>
TOTAL NET POSITION - END OF YEAR				<u>\$62,123,308</u>

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	\$27,170,936	\$843,307	\$802,398	\$191,048			\$29,007,689
Restricted	73,169,118			290,223	\$13,145,832	\$1,024,103	87,629,276
Receivables							
State and federal aid	826,706	2,445,155	43,796				3,315,657
Due from other governments	6,088,949						6,088,949
Due from other funds	5,002,116	1,669,003	32,684	233,469	26,017,930	258,226	33,213,428
Accounts receivable	22,419		15,508				37,927
Taxes receivable	3,219,539						3,219,539
Lease receivable	40,221						40,221
Inventory			41,827				41,827
TOTAL ASSETS	<u>\$115,540,004</u>	<u>\$4,957,465</u>	<u>\$936,213</u>	<u>\$714,740</u>	<u>\$39,163,762</u>	<u>\$1,282,329</u>	<u>\$162,594,513</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Payables							
Accounts payable	\$2,152,946	\$219,551	\$28,953		\$294,068		\$2,695,518
Accrued liabilities	1,209,907	35,845	14,371	\$7,068			1,267,191
Due to other governments	3,178,077						3,178,077
Do to other funds	27,941,483	4,699,645	287,631	5,449	279,220		33,213,428
Due to employees' retirement system	407,414		15,589				423,003
Due to teachers' retirement system	5,724,516						5,724,516
Unearned credits							
Collections in advance	660,719	2,424	113,586				776,729
TOTAL LIABILITIES	<u>41,275,062</u>	<u>4,957,465</u>	<u>460,130</u>	<u>12,517</u>	<u>573,288</u>	<u>-</u>	<u>47,278,462</u>
DEFERRED INFLOWS OF RESOURCES							
Tuition	4,409,246						4,409,246
Leases	40,221						40,221
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,449,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,449,467</u>
FUND BALANCES							
Non-spendable: Inventory			41,827				41,827
Restricted:							
Workers' compensation	11,205,068						11,205,068
Unemployment insurance	3,990,497						3,990,497
Retirement contribution - ERS	23,647,045						23,647,045
Retirement contribution - TRS	5,018,598						5,018,598
Property loss	1,918,092						1,918,092
Liability	2,714,740						2,714,740
Employee benefit accrued liability	1,427,270						1,427,270
Capital	3,208,237				22,763,822		25,972,059
Repair	9,893,185						9,893,185
Scholarships and donations				511,175			511,175
Unspent bond proceeds					49,218		49,218
Debt service						\$1,282,329	1,282,329
Assigned:							
Unappropriated	1,392,030		434,256	191,048	15,777,434		17,794,768
Unassigned	5,400,713						5,400,713
TOTAL FUND BALANCES	<u>69,815,475</u>	<u>-</u>	<u>476,083</u>	<u>702,223</u>	<u>38,590,474</u>	<u>1,282,329</u>	<u>110,866,584</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$115,540,004</u>	<u>\$4,957,465</u>	<u>\$936,213</u>	<u>\$714,740</u>	<u>\$39,163,762</u>	<u>\$1,282,329</u>	<u>\$162,594,513</u>

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2023

Total Governmental Fund Balances \$110,866,584

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

The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$161,780,821	
Accumulated depreciation	<u>(66,885,801)</u>	94,895,020

The present value cost of leasing capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible leased capital assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.

Cost of leased assets	\$259,287	
Accumulated amortization	<u>(177,796)</u>	81,491

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and total other post-employment benefits obligation that will be recognized as expenditures in future periods amounted to:

Pensions	\$34,844,351	
Total other post-employment benefits obligation	<u>9,882,417</u>	44,726,768

Deferred inflows of resources - The Statement of Net Position recognizes revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. Deferred inflows related to pensions and total other post-employment benefits obligation that will be recognized as a reduction in pension expense in future periods amounted to:

Pensions	(\$2,951,559)	
Total other post-employment benefits obligation	<u>(52,982,474)</u>	(55,934,033)

Deferred outflows of resources - deferred amounts on refundings. The Statement of Net Position will amortize deferred amounts on refundings over the life of the bond. Governmental funds record deferred amounts on refundings as an expenditure in the year of the refunding. 70,274

Deferred inflow of resources - tuition and state aid - The Statement of Net Position recognizes revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual. 4,409,246

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of:

Accrued interest payable	(32,602)
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	(3,953,810)	
Lease liability	(81,695)	
Energy performance contract debt payable	(426,708)	
Compensated absences payable	(2,665,342)	
Termination benefits payable	(379,148)	
Workers' compensation claims payable	(6,802,565)	
Net pension liability - proportionate share - employees' retirement system	(7,976,587)	
Net pension liability - proportionate share - teachers' retirement system	(5,436,071)	
Total other post-employment benefits obligation	<u>(109,237,514)</u>	<u>(136,959,440)</u>

Total Net Position	<u><u>\$62,123,308</u></u>
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HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES							
Real property taxes	\$103,588,362						\$103,588,362
Other tax items - including STAR reimbursement	7,611,149						7,611,149
Charges for services	1,785,658			\$185,967			1,971,625
Use of money and property	2,076,505		\$7,546	8,365		\$148,174	2,240,590
Sale of property and compensation for loss	76,852						76,852
Miscellaneous	1,800,755		50,170	158,005			2,008,930
State sources	16,640,599	\$814,965	19,109		\$72,189		17,546,862
Federal sources	450,727	2,474,670	614,503				3,539,900
Surplus food			95,829				95,829
Sales			742,541				742,541
TOTAL REVENUES	<u>134,030,607</u>	<u>3,289,635</u>	<u>1,529,698</u>	<u>352,337</u>	<u>72,189</u>	<u>148,174</u>	<u>139,422,640</u>
EXPENDITURES							
General support	14,476,275						14,476,275
Instruction	66,755,581	3,435,507		391,070			70,582,158
Pupil transportation	8,596,112						8,596,112
Community service	676,882						676,882
Employee benefits	26,101,999						26,101,999
Debt service - principal	2,215,113						2,215,113
Debt service - interest	242,752						242,752
Cost of sales			1,457,481				1,457,481
Capital outlay					3,889,392		3,889,392
TOTAL EXPENDITURES	<u>119,064,714</u>	<u>3,435,507</u>	<u>1,457,481</u>	<u>391,070</u>	<u>3,889,392</u>	<u>-</u>	<u>128,238,164</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,965,893</u>	<u>(145,872)</u>	<u>72,217</u>	<u>(38,733)</u>	<u>(3,817,203)</u>	<u>148,174</u>	<u>11,184,476</u>
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in		145,872	23,500		21,209,455		21,378,827
Operating transfers (out)	(21,378,827)	-					(21,378,827)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,378,827)</u>	<u>145,872</u>	<u>23,500</u>	<u>-</u>	<u>21,209,455</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(6,412,934)</u>	<u>-</u>	<u>95,717</u>	<u>(38,733)</u>	<u>17,392,252</u>	<u>148,174</u>	<u>11,184,476</u>
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 2)	<u>76,228,409</u>	<u>-</u>	<u>380,366</u>	<u>740,956</u>	<u>21,198,222</u>	<u>1,134,155</u>	<u>99,682,108</u>
FUND BALANCES - END OF YEAR	<u>\$69,815,475</u>	<u>\$ -</u>	<u>\$476,083</u>	<u>\$702,223</u>	<u>\$38,590,474</u>	<u>\$1,282,329</u>	<u>\$110,866,584</u>

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances		\$11,184,476
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating expenses (compensated absences and termination benefits) are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amounts of financial resources used.	(1,450)	
Deferred inflows of resources - The Statement of Net Position recognizes revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.	364,551	
Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however the payable is recognized as it accrues regardless of when it is due. Workers' compensation claims payable from June 30, 2022 to June 30, 2023 changed by:	(169,990)	
Long-Term Debt Differences		
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	1,715,000	
Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	88,907	
Repayment of energy performance contract debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	411,206	
Governmental funds report premiums, discounts, and similar items on bonds when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. Amortization for the fiscal year ended June 30, 2023 was		
Bond premiums	\$286,690	
Deferred amounts on refunding	<u>(84,329)</u>	202,361
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2022 to June 30, 2023 changed by:	15,945	
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital asset additions	\$4,254,943	
Depreciation expense and loss on disposals	<u>(5,065,845)</u>	(810,902)
Capital outlays related to leasing assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual amortization expense in the Statement of Activities. Amortization expense on intangible lease assets for the fiscal year ended June 30, 2023 was:	(88,898)	
Pension Differences		
Increases/decreases in the proportionate share of net pension asset/liability, and total other post-employment benefits obligation, and the related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employees' retirement system	(\$1,619,872)	
Teacher' retirement system	(1,663,943)	
Total other post-employment benefits obligation	<u>3,754,833</u>	471,018
Change in Net Position		<u><u>\$13,382,224</u></u>

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents - restricted	\$ -
Due from governmental funds	
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES	
Other liabilities	\$ -
Due to governmental funds	
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	
TOTAL NET POSITION	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</u>

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for other governments - Public Library	<u>\$6,511,124</u>
DEDUCTIONS	
Real property taxes disbursed to other governments - Public Library	<u>\$6,511,124</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - ENDING OF YEAR	<u><u>\$ -</u></u>

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

The financial statements of Hewlett-Woodmere Union Free School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the “Board”) consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District’s reporting entity.

B) Joint Venture:

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

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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 the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) Basis of Presentation:

District-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal 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 and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This fund is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are extraclassroom activities and other educational activities.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund. This fund is custodial in nature and is used to account for real property taxes collected on behalf of other governments and disbursed to other governments.

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. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes 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.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within six months 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 bonds payable, lease liabilities, and energy performance contract debt payable, as

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

well as compensated absences, termination benefits, claims and judgments, pension costs, and other post-employment benefits, which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

E) Real Property Taxes:

Calendar

Real property taxes are levied annually by the Board no later than August 15th, and become a lien on October 1st and April 1st. Taxes are collected by the Town of Hempstead during the period October 1st through November 10th, and April 1st through May 10th, without penalty.

Enforcement

Uncollected real property taxes are subsequently enforced by Nassau County (the “County”) in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1st.

F) Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District’s policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G) 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 flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District’s practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including the computation of useful lives of capital assets and intangible lease assets, lease receivable and the associated deferred inflow of resources, lease liability, compensated absences payable, termination benefits payable, net pension asset/liabilities, total other post-employment benefits obligation, and potential contingent liabilities.

I) Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits.

J) 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.

K) Inventory:

Inventory of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. Inventory is accounted for on the consumption method, a current asset for inventory is recorded as the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods are consumed.

Purchases of inventory items in other funds are recorded as expenses/expenditures at the time of purchase and are considered immaterial in amount.

Non-spendable fund balance for these non-liquid assets (inventory) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

L) Capital Assets:

Capital assets are reported at actual cost for acquisitions subsequent to 20 years. For assets acquired prior to 20 years ago, estimated historical costs, based on appraisals conducted by independent third-party professionals, are used. Donated assets are reported at acquisition value at the time received.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building & building improvements	\$3,500	Straight-line	20-50 years
Furniture & equipment	\$3,500	Straight-line	5-20 years
Land improvements	\$3,500	Straight-line	20 years
Vehicles	\$3,500	Straight-line	8 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2023, the District has not recorded any such impairment losses.

M) Intangible Lease Assets:

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reported deferred outflows of resources relating to the unamortized amount of deferred amounts from prior years' refunding of bonds that is being amortized as a component of interest expense on a straight-line basis over the remaining life of the new debt, and is detailed further in Note 12. The District also reported deferred outflows of resources related to pensions and other post-employment benefits obligation (OPEB), which are reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reported deferred inflows of resources relating to leases, which are deferred and amortized to lease revenue in a systematic and rational manner over the term of the lease(s), which is reported in the District-Wide State of Net Position as well as in the governmental funds balance sheet, and is detailed further in Note 8. The District also reported deferred inflows of resources related to pensions and other post-employment benefits obligation, which are reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows are classified as revenues. The District recorded \$4,409,246 as unavailable revenue in the general fund for tuition charges due from other districts. The District-Wide Financial Statements, however, report these deferred inflows as revenue in accordance with the accrual basis of accounting and economic resources measurement focus.

O) Short-Term Debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

The District has not issued or retired any short-term debt in the fiscal year ended June 30, 2023.

P) Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts. These amounts are recorded as liabilities in the financial statements. The liabilities are removed, and revenues are recognized in subsequent periods when the District has legal claim to the resources. At June 30, 2023, collections in advance consisted of \$660,719 in the general fund related to prepaid amounts received for summer 2023 programs, \$2,424 in the special aid fund related to grant advances, and \$113,586 in the school lunch fund related to grant advances and prepaid student account balances.

Q) Employee Benefits - Compensated Absences and Termination Benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated annual sick leave, vacation, or other negotiated benefit.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargaining agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

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.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Termination Benefits:

Termination benefits consists of first year eligible retirement incentive payments as specified in collective bargaining agreements. The liability is calculated in accordance with GASB Statement No. 47, *Accounting for Termination Benefits*. The liability is calculated on years of service plus rates in effect at year end.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

In the Fund Financial Statements, a liability is reported only for payments due for unused compensated absences and termination benefits for those employees that have obligated themselves to separate from service with the District by June 30th.

R) Other Benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

S) Long-Term Debt:

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 repayment of principal and interest will be in the general fund.

In the fund financial statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the District-Wide financial statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

T) Equity Classifications:

District-Wide Financial Statements:

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

Net investment in capital assets – consists of capital assets and intangible lease assets, net (cost less accumulated depreciation and present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets, net of any unexpended proceeds and including any unamortized items (discounts, premiums, deferred amounts on refunding).

Restricted net position – reports net position when constraints placed on the assets 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 net position – reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund of \$41,827 at June 30, 2023.

Restricted fund balance – 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.

The District has classified the following as restricted:

Workers' Compensation Reserve

Workers compensation reserve (GML § 6-j), is used to pay for compensation benefits and other expenses authorized by Article 2 of Workers' Compensation Law, and for the payment of expenses of administering 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. The reserve is accounted for separate and apart from all other funds of the school district. Expenditures can be made without voter approval. This reserve is accounted for in the general fund.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Unemployment Insurance Reserve

Unemployment insurance reserve (GML §6-m), must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the 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. This reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. 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. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Property Loss/Liability Reserve

Property loss/liability reserve (EDL § 1709 (8-c)), is used to pay for property loss and liability claims incurred. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Separate reserve funds must be established for property loss and liability claims. The separate identity of each fund must be maintained, whether its assets consist of cash or investments, or both. Expenditures can be made without voter approval. For school districts, each reserve may not exceed the greater of 3% of the annual budget or \$15,000. Once that reserve has been established, the reserve fund may not be reduced (other than by payments for losses for which the reserve was established) below the estimated amount necessary to cover unsettled claims or suits. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML §6-p), must be used for the payment of accrued employee benefit 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. This reserve is accounted for in the general fund.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital Reserve

Capital reserve (EDL §3651), available to school districts are used to pay the cost of any object or purpose for which a bond may be issued. The creation of a capital requires authorization by a majority of the voters establishing the purposes of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. If the voters determine that the original purpose for which reserve was established is no longer needed, the reserve may be liquidated, the proceeds first be applied to any outstanding indebtedness and the remaining balance, if any, be applied to reduce the annual tax levy subject to certain limitations set in the law. This reserve is accounted for in the general fund and capital projects fund.

Restricted for capital in the capital projects fund includes the fund balance for projects that are funded by the capital reserve.

Repair Reserve

Repair reserve (GML §6-d), is used to pay the cost of repairs of capital improvements or equipment, which repairs are of a type not recurring annually or shorter intervals. The Board without voter approval may establish a repair reserve fund by a majority vote of its members. The reserve is accounted for separate and apart from all other funds of the school district. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held and at least five days has elapsed between the publication of the notice of hearing and the date specified for the hearing, except in emergency situations. If no hearing is held, the Board must pass a resolution that is approved by at least a two-thirds vote. Additionally, at least one half of the amount expended must be repaid to the reserve fund in the next fiscal year and the balance be repaid by the end of the following fiscal year. This reserve is accounted for in the general fund.

Restricted for Scholarships and Donations

Amounts restricted for scholarships are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund.

Restricted for Unspent Bond Proceeds

Unspent bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. This restricted fund balance is accounted for in the capital projects fund.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Restricted for Debt Service

Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. This reserve is accounted for in the debt service fund.

Committed fund balance – 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). The District has no committed fund balances as of June 30, 2023.

Assigned fund balance – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies.

Unassigned fund balance – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

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 for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balances of the general fund are excluded from the 4.00% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4.00% limitation. The District’s unassigned fund balance in the general fund at June 30, 2023 is within the legal limit.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or Board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items. The differences result

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

primarily from the economic focus of the Statement of Activities, compared with the current financial resources 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. The difference primarily results from additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. The amounts shown below represent:

Long-term revenue and expense differences:

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

Long-term debt differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial Statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on Governmental Fund Financial Statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items or intangible lease assets in the Fund Financial Statements and depreciation and/or amortization expense on those items as recorded in the Statement of Activities.

Pension differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and difference between actual and expected experience, difference between projected and actual earnings on pension plan investments, the District's contributions

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

and its proportionate share of the total contributions to the pension systems and Districts contributions subsequent to the measurement date.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. 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. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on the Supplemental Schedule #5.

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 prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

The increase in the amount that may be raised by the District for real property taxes (levy) in any fiscal year, is limited by the Constitution of the State of New York to the lesser of 2% or inflation with certain adjustments and exclusions for court ordered exclusions, local capital expenditures and pension exclusions.

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (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 New York State or its localities.

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A) Uncollateralized; or
- B) Collateralized with securities held by the pledging financial in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or custodian, but not in the Districts name.

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

B) Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2023 included \$87,629,276 within the governmental funds for general reserves, scholarships and donations, capital projects, and debt service purposes.

C) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
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D) Investment Pool:

The District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and considered to be cash equivalents. At June 30, 2023 the District held \$34,438,798 in investments consisting of various investments in securities issued by the United States and its agencies:

Fund	Bank Balance
General fund	\$12,485,664
Capital reserve	5,761,758
General fund risk retention	9,146,859
Capital projects fund	7,044,517
Total	<u>\$34,438,798</u>

Total investments of the cooperative at June 30, 2023 are \$7,403,046,276 which consisted of \$2,530,081,947 in repurchase agreements and \$4,872,964,329 in U.S. Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2023 are \$1,068,621,853.

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. CLASS is rated AAAM by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website www.newyorkclass.org or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

NOTE 5 –PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2023, the District was billed \$5,841,523 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,118,611. Financial statements for the Nassau BOCES are available from the Nassau BOCES administrative office at 71 Clinton Road, P.O. Box 9195, Garden City, NY 11530.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLE:

State and federal aid receivable at June 30, 2023 consisted of the following:

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General Fund	
General aid	\$269,723
Excess cost aid	236,893
Fema grant	320,090
Total General fund	<u>826,706</u>
Special Aid Fund	
Federal grants	1,880,577
State grants	564,578
Total Special Aid Fund	<u>2,445,155</u>
School Lunch Fund	
Lunch - federal aid	33,927
Breakfast - federal aid	4,728
Lunch - state aid	4,294
Breakfast - state aid	847
Total School Lunch Fund	<u>43,796</u>
Total All Funds	<u><u>\$3,315,657</u></u>

District management has deemed these amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2023 consisted of the following:

BOCES aid	\$1,059,562
Non-resident and special education tuition	<u>5,029,387</u>
Total Due from other governments	<u><u>\$6,088,949</u></u>

The general fund due from other governments for non-resident tuition and special education tuition includes \$4,409,246 of unavailable revenues, which is also included in deferred inflows of resources on the balance sheet. When amounts are collected or made available, the amounts will be reversed out of deferred inflows of resources and recognized as revenue. The District is currently involved in pending litigation surrounding the collection of these amounts.

District management has deemed these amounts to be fully collectible.

NOTE 8 – LEASE RECEIVABLE:

The District recognized a lease receivable and deferred inflow of resources – leases, for agreements whereby the District leases building space to other entities, with interest rates ranging from 0.12% - 0.50%. One of the agreements also includes an annual payment escalation of 1.5%. The lease receivable and associated deferred inflow of resources will be reduced as the lease revenue is earned in future periods.

Principal and interest income received for the District's lease receivable amounted to \$12,747 and \$236, respectively, for the fiscal year ended June 30, 2023.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$13,007	\$171	\$13,178
2025	13,471	105	13,576
2026	13,743	37	13,780
Total	<u>\$40,221</u>	<u>\$313</u>	<u>\$40,534</u>

District management has deemed the amounts to be fully collectible.

NOTE 9 – CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$5,159,600			\$5,159,600
Construction in progress	30,472,458	\$3,889,392		34,361,850
Total capital assets not being depreciated	<u>\$35,632,058</u>	<u>3,889,392</u>	<u>-</u>	<u>39,521,450</u>
Capital assets that are depreciated:				
Buildings & building improvements	110,178,767			110,178,767
Furniture & equipment	6,953,034	238,999	(274,056)	6,917,977
Land improvements	4,246,701			4,246,701
Vehicles	987,177	126,552	(197,803)	915,926
Total capital assets being depreciated	<u>122,365,679</u>	<u>365,551</u>	<u>(471,859)</u>	<u>122,259,371</u>
Less accumulated depreciation:				
Buildings & building improvements	54,841,323	4,305,142		59,146,465
Furniture & equipment	4,728,989	539,193	(273,645)	4,994,537
Land improvements	2,049,471	150,995		2,200,466
Vehicles	672,032	70,104	(197,803)	544,333
Total accumulated depreciation	<u>62,291,815</u>	<u>5,065,434</u>	<u>(471,448)</u>	<u>66,885,801</u>
Total capital assets being depreciated, net	<u>60,073,864</u>	<u>(4,699,883)</u>	<u>(411)</u>	<u>55,373,570</u>
Capital assets, net	<u>\$95,705,922</u>	<u>(\$810,491)</u>	<u>(\$411)</u>	<u>\$94,895,020</u>

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense and loss on disposals were charged to governmental functions as follows:

General support	\$202,377
Instruction	4,860,560
Community Service	1,331
Food service	1,577
Total	<u>5,065,845</u>

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets:				
Furniture & equipment	\$ 259,287	\$ -	\$ -	\$ 259,287
Total intangible lease assets being amortized	<u>259,287</u>	<u>-</u>	<u>-</u>	<u>259,287</u>
Less accumulated amortization:				
Furniture & equipment	88,898	88,898	-	177,796
Total accumulated amortization	<u>88,898</u>	<u>88,898</u>	<u>-</u>	<u>177,796</u>
Total intangible lease assets, net	<u>\$ 170,389</u>	<u>\$ (88,898)</u>	<u>\$ -</u>	<u>\$ 81,491</u>

Amortization expense of \$88,898 was charged to the governmental functions as general support.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General fund	\$5,002,116	\$27,941,483		\$21,378,827
Special aid fund	1,669,003	4,699,645	\$ 145,872	
School lunch fund	32,684	287,631	23,500	
Miscellaneous special revenue fund	233,469	5,449		
Capital projects fund	26,017,930	279,220	21,209,455	
Debt service fund	258,226			
Totals	<u>\$33,213,428</u>	<u>\$33,213,428</u>	<u>\$21,378,827</u>	<u>\$21,378,827</u>

The District typically transfers from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities and to fund the District's local share of the State Supported Section 4201 schools. The District also made a transfer from the general fund to the school lunch fund to subsidize part of the school lunch fund's general operating costs and to reimburse

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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the school lunch fund for negative student balances accumulated during the year. The District typically transfers from the general fund to the capital projects fund to finance capital projects as authorized by the voters.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

NOTE 11 – LONG-TERM LIABILITIES:

Long-term liability balances and activity for the year are summarized below:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Long-term debt:					
Bonds payable					
Construction serial bonds	\$5,425,000	\$ -	\$1,715,000	\$3,710,000	\$1,805,000
Add: Unamortized bond premiums	530,500		286,690	243,810	239,608
Total Bonds payable	<u>5,955,500</u>	<u>-</u>	<u>2,001,690</u>	<u>3,953,810</u>	<u>2,044,608</u>
Other long-term liabilities:					
Lease liability	170,602		88,907	81,695	81,695
Energy performance contract debt payable	837,914		411,206	426,708	426,708
Compensated absences payable	2,551,379	234,547	120,584	2,665,342	132,942
Termination benefits payable	491,661	243,461	355,974	379,148	186,987
Workers' compensation claims payable	6,632,575	665,796	495,806	6,802,565	
Net pension liability-proportionate share - ERS	-	7,976,587		7,976,587	
Net pension liability-proportionate share - TRS	-	5,436,071		5,436,071	
Total other post-employment benefits obligation	<u>109,795,464</u>	<u>6,912,061</u>	<u>7,470,011</u>	<u>109,237,514</u>	
Total Long-term Liabilities	<u>\$126,435,095</u>	<u>\$21,468,523</u>	<u>\$10,944,178</u>	<u>\$136,959,440</u>	<u>\$2,872,940</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, lease liability, energy performance contract debt payable, compensated absences payable, termination benefits payable, workers' compensation claims payable, net pension liabilities, and total other post-employment benefits obligation.

A) Bonds Payable:

Bonds payable is comprised of the following:

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
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Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2023
Refunded serial bonds	2017	2025	Various	\$3,710,000
				<u>\$3,710,000</u>

The following is a summary of debt service requirements for bonds payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$1,805,000	\$140,375	\$1,945,375
2025	1,905,000	47,625	1,952,625
Total	<u>\$3,710,000</u>	<u>\$188,000</u>	<u>\$3,898,000</u>

Upon default of the payment of principal or interest on the serial bonds, the bond holders have the right to litigate and 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 and apply the amount withheld to the payment of the defaulted principal or interest.

B) Lease Liability

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such a lease agreement for various copiers and other equipment items with an interest rate of 0.25%.

Principal and interest expense paid on the District's lease liability amounted to \$88,907 and \$325, respectively, for the fiscal year ended June 30, 2023.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$81,695	\$102	\$81,797
	<u>\$81,695</u>	<u>\$102</u>	<u>\$81,797</u>

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NOTES TO FINANCIAL STATEMENTS
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C) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2023
Energy Performance Contract Debt	4/14/2015	4/14/2024	1.93%	<u>\$426,708</u>

The following is a summary of maturing debt service requirements of the energy performance contract debt payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	<u>\$426,708</u>	<u>\$6,077</u>	<u>\$432,785</u>
Total	<u>\$426,708</u>	<u>\$6,077</u>	<u>\$432,785</u>

D) Long-Term Interest:

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

	Total
Interest paid	<u>\$242,752</u>
Plus interest accrued in the current year	32,602
Less interest accrued in the prior year	(48,547)
Plus amortization of deferred amounts on refunding	84,329
Less amortization of premium on obligations	<u>(286,690)</u>
Total expense	<u>\$24,446</u>

E) Premiums on Bonds:

The bond premiums on refundings pertaining to the 2009 and 2017 bond refundings are recorded in the District-Wide Financial Statements, as a component on bonds payable. Amortization of premium on obligations recorded on the District-Wide Financial Statements amounted to \$286,690 for the fiscal year ending June 30, 2023, and is recorded as a component of interest expense. Unamortized bond premiums at June 30, 2023 amounted to \$243,810.

	2009 Bond	2017 Bond	Total
Deferred premium	\$67,948	\$1,694,919	\$1,762,867
Accumulated amortization	<u>(59,542)</u>	<u>(1,459,515)</u>	<u>(1,519,057)</u>
Balance of deferred premium	<u>\$8,406</u>	<u>\$235,404</u>	<u>\$243,810</u>

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NOTES TO FINANCIAL STATEMENTS
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NOTE 12 – DEFERRED AMOUNTS ON REFUNDINGS:

The deferred amounts on refunding pertaining to the 2017 bond refunding is recorded in the District-Wide Financial Statements as a deferred outflow of resources. Deferred amounts on refunding at June 30, 2023 consisted of the following:

	<u>2017 Bond</u>
Deferred amount on refunding	\$505,974
Accumulated amortization	<u>(435,700)</u>
Balance of deferred amount on refunding	<u><u>\$70,274</u></u>

The deferred amounts on the 2017 refunding are being amortized on the District-Wide Financial Statements using the straight-line method over 7 years, the time to maturity on the refunded bonds, at the point of refunding. Amortization of the deferred amounts on refunding recorded on the District-Wide Financial Statements amounted to \$84,329 for the fiscal year ending June 30, 2023, and is recorded as a component of interest expense.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). 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 NY 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.

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple –employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net

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position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new 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 provisions of the New York State Retirement and Social Security Law. 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 which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244.

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
 - a. Employees who joined the system after July 27, 1976 and before January 1, 2010
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 and before April 1, 2012.
 - i. Employees contribute 3.5% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System
 - a. Employees who joined the system after July 27, 1976 and before January 1, 2010
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 and before April 1, 2012.
 - i. Employees contribute 3% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2023 (for applicable tiers) ranged from 9.50% to 14.90% of covered payroll.

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Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2023 was 10.29% of covered payroll.

The District is required to contribute at an actuarially determined rate. The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	ERS	TRS
2023	\$1,560,999	\$5,204,536
2022	\$1,866,406	\$4,918,228
2021	\$1,893,758	\$4,719,095

C) Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions:

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Net pension asset/(liability)	(\$7,976,587)	(\$5,436,071)
District's portion of the Plan's total net pension asset/(liability)	0.0371972%	0.283292%
Change in proportion since the prior measurement date	-0.0009718%	-0.861200%

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$3,159,894 for ERS and \$6,866,095 for TRS. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<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	\$849,569	\$5,696,315	\$224,013	\$108,929
Changes of assumptions	3,873,945	10,545,059	42,814	2,189,803
Net difference between projected and actual earnings on pension plan investments		7,023,920	46,862	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	724,820	503,184	46,729	292,409
District's contributions subsequent to the measurement date	423,003	5,204,536		
	<u>\$5,871,337</u>	<u>\$28,973,014</u>	<u>\$360,418</u>	<u>\$2,591,141</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2023	\$ -	\$4,043,098
2024	1,318,768	2,116,996
2025	(209,709)	(825,385)
2026	1,766,594	13,883,547
2027	2,212,263	1,827,845
Thereafter	-	131,236
	<u>\$5,087,916</u>	<u>\$21,177,337</u>

Actuarial Assumptions

The total pension asset/(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 asset/(liability) to the measurement date.

The actuarial valuations used the following actuarial assumptions:

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	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant 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. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense 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.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

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<u>Valuation Date</u>	<u>ERS</u>		<u>TRS</u>	
	<u>March 31, 2023</u>		<u>June 30, 2022</u>	
<u>Asset type</u>	<u>Target</u> <u>Allocation</u>	<u>Long-term</u> <u>expected real</u> <u>rate of return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-term</u> <u>expected real</u> <u>rate of return</u>
Domestic equity	32%	4.30%	33%	6.50%
International equity	15%	6.85%	16%	7.20%
Global equity			4%	6.90%
Private equity	10%	7.50%	8%	9.90%
Real estate	9%	4.60%	11%	6.20%
Opportunistic/absolute return strategy	3%	5.38%		
Real assets	3%	5.84%		
Credit	4%	5.43%		
Cash	1%	0.00%		
Fixed income	23%	1.50%	16%	1.10%
Global bonds			2%	0.60%
High-yield bonds			1%	3.30%
Private debt			2%	5.30%
Real estate debt			6%	2.40%
Cash equivalents			1%	-0.3%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.50% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate 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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 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-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

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	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	<u>(\$19,275,989)</u>	<u>(\$7,976,587)</u>	<u>\$1,465,378</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	<u>(\$50,123,126)</u>	<u>(\$5,436,071)</u>	<u>\$32,145,449</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension asset/(liability)	(\$232,627,259)	(\$133,883,474)
Plan fiduciary net position	<u>211,183,223</u>	<u>131,964,582</u>
Employers' net pension asset/(liability)	<u>(\$21,444,036)</u>	<u>(\$1,918,892)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	90.78%	98.57%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. 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 \$423,003.

For 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, with a balance to be paid by the District, if necessary. 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, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$5,724,516.

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NOTE 14 – PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and by employees for the year ended June 30, 2023, totaled \$318,500 and \$3,292,822, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2023 totaled \$407,240.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District primarily provides post-employment health insurance coverage to retired employees, their spouses and their covered dependents in accordance with the provisions of various employment contracts. Medicare Part B benefits are also provided. Benefits are provided through a consortium known as the New York State Health Insurance Program Empire Plan, (the “Plan”). Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. The Plan does not issue a stand-alone, publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. The contribution requirements of Plan members and the District are established and may be amended by the District. Benefit terms provide for the District to contribute between 35% and 100% of the premiums for individual and family coverage, 0% of the premiums for surviving spouses, and recognizes the cost of the healthcare plan annually as expenditures in the general fund of the fund financial statements as payments are accrued. For measurement period ending June 30, 2023, the District contributed an estimated \$2,972,972 to the Plan, including \$2,972,972 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund other postemployment benefits by any means other than the “pay as you go” method.

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Employees Covered by Benefit Terms

At July 1, 2021, the date of the last full valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	361
Active employees	522
Total	883

B) Total OPEB Liability:

The District's total OPEB liability of \$109,237,514 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Discount rate	4.00%
Healthcare cost trend rates	7.00% for 2022, decreasing by 0.25% per year to an ultimate rate of 4.50% by 2032
Retirees' share of benefit-related costs	0% to 65% of health insurance premiums for retirees, and 100% of surviving spouse coverage

The discount rate is based on the prescribed discount interest rate methodology under GASB No. 75 using an average of three 20-year bond indices (Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2023.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where

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applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2022	\$109,795,464
Changes for the fiscal year:	
Service cost	2,579,702
Interest	4,332,359
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(4,497,039)
Benefit payments	(2,972,972)
Net changes	(557,950)
Balance at June 30, 2023	\$109,237,514

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include a change in the discount rate from 3.77% to 4.00%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$130,681,679	\$109,237,514	\$92,664,036

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current healthcare cost trend rates:

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	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Total OPEB liability	<u>\$89,647,443</u>	<u>\$109,237,514</u>	<u>\$135,465,100</u>

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2023, the District recognized OPEB expense (credit) of (\$781,861). At June 30, 2023, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	9,882,417	52,982,474
	<u>\$ 9,882,417</u>	<u>\$ 52,982,474</u>

Benefit payments made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Amount
2024	\$ (7,693,922)
2025	(7,693,922)
2026	(7,731,889)
2027	(8,605,930)
2028	(10,402,020)
Thereafter	(972,374)
	<u>\$ (43,100,057)</u>

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NOTE 16 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2023 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2024:

Retirement contribution	
Employees' retirement system	\$ 710,018
Workers' compensation	500,000
	<u>\$ 1,210,018</u>

NOTE 17 – RESTRICTED FOR CAPITAL RESERVE

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

	<u>Capital Reserve</u>
Title	Long Range Building Improvement Fund
Date Created	May 16, 2017
Number of Years to Fund	10
Maxium Annual Funding	\$ 10,000,000
Maxium Funding	\$ 40,000,000

General Fund

Funding Provided	\$ 40,000,000
Interest Earnings	192,692
Use of Reserve	<u>(36,984,455)</u>
Total General Fund	<u>3,208,237</u>

Capital Fund

Funding Provided	36,984,455
Use of Reserve	<u>(14,220,633)</u>
Total Capital Projects Fund	<u>22,763,822</u>

Balance as of June 30, 2023	<u>\$ 25,972,059</u>
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NOTE 18 – RISK MANAGEMENT:

A) General:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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B) Consortiums and Self Insured Plans:

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

The District has established a self-insured plan for risks associated with Workers' Compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for incurred claims and incurred but not recorded (IBNR) based on a liability evaluation done as of June 30, 2023. As of June 30, 2023, the District has recorded potential workers' compensation claims (losses incurred but not paid) and incurred but not reported claims for a total liability of \$6,802,565. This total liability is calculated using a 1.50% discount rate. The District has a workers' compensation reserve balance of \$11,205,068 as of June 30, 2023. Claims activity is summarized below:

	2023	2022
Unpaid claims at the beginning of the year	\$6,632,675	\$7,020,888
Claims incurred and claim adjustment expenses	665,696	76,963
Claims paid	(495,806)	(465,176)
Unpaid claims at the end of the year	<u>\$6,802,565</u>	<u>\$6,632,675</u>

NOTE 17 – TERMINATION BENEFITS AND COMPENSATED ABSENCES PAYABLE:

Retirement Incentives:

The District offers a retirement incentive to certain administrators, nurses, and clerical employees outlined in their employment contract. Certain administrators who are not members of a bargaining unit having served at least 5 years employed by the District and are eligible for retirement in the New York State Teachers' Retirement System are entitled to a retirement incentive of 50% of their final year's salary. The service requirement for eligibility has been increased from 5 years to a minimum of 10 years in District for appointments made after July 1, 2013. Nurses and clerical employees eligible for retirement and enrolled in the Employees' Retirement System are entitled to a retirement incentive of \$6,000 and \$10,000, respectively. These sums are not included within the current value of incentive payments tied to vacation and sick leave earned. The projected liability for retirement incentives at June 30, 2023 is \$379,148, the amount recorded as a long term-term liability on the Statement of Net Position.

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Compensated Absences:

Certain administrators not represented by a bargaining unit may be eligible for payment for a portion of unused sick and vacation days upon retirement. The projected long-term liability at June 30, 2023 is \$1,101,520. Custodial and IT Systems employees may be eligible for payment of a portion of unused sick and vacation days upon retirement. The projected long-term liability at June 30, 2023 is \$1,054,356. Members of the supervisory and clerical bargaining units may be eligible to receive payment for unused vacation time upon separation from service. The projected long-term liability at June 30, 2023 is \$263,170 and \$246,296, respectively. The current value of total compensated absences earned at June 30, 2023 is \$2,665,342. At June 30, 2023 the District has an employee benefits accrued liability reserve in the amount of \$1,427,270 to help pay these liabilities.

NOTE 18 – TAX ABATEMENTS:

The Town of Hempstead Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 905, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Town. The District's property tax revenue was reduced by \$133,959 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$133,959 for these programs during the fiscal year.

The District also received PILOT payments from the County related to the Long Island Power Authority. These PILOT payments are not considered tax abatements as the purpose of this agreement was not to abate taxes.

NOTE 19 –COMMITMENTS AND CONTINGENCIES:

A) Grants:

The District has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

B) Litigation:

As of June 30, 2023, the District is unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

C) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2023, the District encumbered the following amounts in the general fund:

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General support	\$605,769
Instruction	658,789
Pupil transportation	106,633
Community services	14,003
Employee benefits	6,836
	<u>\$1,392,030</u>

NOTE 20 – PRIOR PERIOD ADJUSTMENT – GENERAL FUND:

During the year ended June 30, 2023, adjustments were made by the District for due from other governments for tuition billings deemed to be uncollectible in the pay period of availability. As such, these unavailable revenues were reclassified to deferred inflows of resources in the general fund. This resulted in the restatement of the opening balance of general fund's unassigned fund balance and deferred inflows of resources as follows:

General Fund	As Restated 2022	As Reported 2022	Increase (Decrease)
Deferred inflows of resources - tuition billings	\$3,972,507	\$614,472	\$3,358,035
Unassigned fund balance	1,865,414	5,223,449	(3,358,035)
Total Fund balance	76,228,409	79,586,444	(3,358,035)

NOTE 21 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that no subsequent events have occurred that would require disclosure in the notes to financial statements.

SUPPLEMENTARY INFORMATION

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL 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>
REVENUES				
Local Sources				
Real property taxes	\$103,144,267	\$103,638,854	\$103,588,362	(\$50,492)
Other real property tax items	8,128,856	7,634,269	7,611,149	(23,120)
Charges for services	1,403,000	1,403,000	1,785,658	382,658
Use of money and property	152,349	152,349	2,076,505	1,924,156
Sale of property and compensation for loss	-	-	76,852	76,852
Miscellaneous	905,000	905,000	1,800,755	895,755
State Sources				
Basic formula	9,930,742	9,967,479	9,342,770	(624,709)
Lottery aid	2,325,000	2,325,000	2,915,453	590,453
Excess cost aid	1,300,000	1,300,000	1,760,094	460,094
BOCES aid	1,700,000	1,700,000	2,118,611	418,611
Textbook aid	300,000	278,552	278,552	-
Computer hardware and software aid	110,000	98,743	98,743	-
Library A/V loan program aid	30,000	25,968	25,968	-
Other state aid	175,000	175,000	100,408	(74,592)
Federal Sources	175,000	175,000	450,727	275,727
TOTAL REVENUES	<u>129,779,214</u>	<u>129,779,214</u>	<u>\$134,030,607</u>	<u>\$4,251,393</u>
Appropriated reserves	<u>2,331,578</u>	<u>19,680,200</u>		
TOTAL REVENUES, APPROPRIATED FUND BALANCE, AND RESERVES	<u>\$132,110,792</u>	<u>\$149,459,414</u>		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	\$135,820	\$150,172	\$128,343	\$8,447	\$13,382
Central administration	542,219	634,370	590,370	8,008	35,992
Finance	1,389,497	1,398,734	1,360,955	27,204	10,575
Staff	1,339,824	1,330,703	1,275,631	41,934	13,138
Central services	11,260,664	10,996,370	9,916,526	519,090	560,754
Special items	1,125,604	1,256,307	1,204,450	1,086	50,771
Total general support	15,793,628	15,766,656	14,476,275	605,769	684,612
Instructional					
Instruction, adm. & imp.	4,907,901	4,830,706	4,483,309	47,279	300,118
Teaching - regular school	34,557,876	34,555,264	33,051,048	82,527	1,421,689
Programs for children with handicapping conditions	18,204,041	17,610,646	16,042,955	313,558	1,254,133
Occupational education	455,288	455,288	377,979	77,309	-
Teaching special schools	355,894	484,155	471,426	1,157	11,572
Instructional media	5,261,212	5,195,342	4,466,556	88,094	640,692
Pupil services	7,750,171	8,707,786	7,862,308	48,865	796,613
Total instructional	71,492,383	71,839,187	66,755,581	658,789	4,424,817
Pupil transportation	9,180,588	9,165,833	8,596,112	106,633	463,088
Community services	523,955	749,543	676,882	14,003	58,658
Employee benefits	28,463,105	28,080,567	26,101,999	6,836	1,971,732
Debt service					
Debt service principal	2,126,206	2,215,113	2,215,113		-
Debt service interest	342,427	244,560	242,752		1,808
Total debt service	2,468,633	2,459,673	2,457,865	-	1,808
TOTAL EXPENDITURES	127,922,292	128,061,459	119,064,714	1,392,030	7,604,715
Other Financing Uses					
Transfers to other funds	4,188,500	21,397,955	21,378,827		19,128
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$132,110,792	\$149,459,414	140,443,541	\$1,392,030	\$7,623,843
Net change in fund balances			(6,412,934)		
Fund balances - beginning of year, as restated (see Note 20)			76,228,409		
Fund balances - end of year			\$69,815,475		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE FISCAL YEARS ENDED JUNE 30, *

NYSERS Pension Plan										
	<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>
District's proportion of the net pension asset/(liability)	0.0371972%	0.0381148%	0.0363853%	0.0358998%	0.0364919%	0.0340386%	0.0342011%	0.0346443%	0.0326267%	0.0326267%
District's proportionate share of the net pension asset/(liability)	(\$7,976,587)	\$3,115,724	(\$36,230)	(\$9,506,478)	(\$2,585,562)	(\$1,098,576)	(\$3,213,615)	(\$5,560,513)	(\$1,102,211)	(\$1,474,357)
District's covered payroll	\$13,100,699	\$13,126,712	\$12,973,361	\$12,703,711	\$12,294,231	\$12,075,506	\$11,854,441	\$11,145,452	\$10,944,944	\$10,513,597
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	60.89%	23.74%	0.28%	74.83%	21.03%	9.10%	27.11%	49.89%	10.07%	14.02%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.20%
NYSTRS Pension Plan										
	<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>
District's proportion of the net pension asset/(liability)	0.283292%	0.291904%	0.285375%	0.286875%	0.286892%	0.281669%	0.281399%	0.278310%	0.276311%	0.278199%
District's proportionate share of the net pension asset/(liability)	(\$5,436,071)	\$50,584,167	\$7,885,681	\$7,453,033	\$5,187,769	\$2,140,965	(\$3,013,905)	\$28,907,577	\$30,779,295	\$1,831,257
District's covered payroll	\$51,286,139	\$50,589,695	\$49,660,368	\$48,928,438	\$47,631,850	\$45,329,603	\$43,454,191	\$42,103,796	\$40,954,526	\$40,941,443
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	10.60%	99.99%	15.88%	15.23%	10.89%	4.72%	6.94%	68.66%	75.15%	4.47%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

Note to Required Supplementary Information

The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

Teachers' Retirement System

The discounted rate remained at 6.95% as reflected in 2022 and 2023 above

Employees' Retirement System

The discounted rate remained at 5.90% as reflected in 2022 and 2023 above

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30**

NYSERS Pension Plan										
	<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	\$1,560,999	\$1,866,406	\$1,893,758	\$1,733,798	\$1,767,879	\$1,740,707	\$1,653,095	\$1,897,088	\$1,874,591	\$1,830,678
Contributions in relation to the contractually required contribution	<u>1,560,999</u>	<u>1,866,406</u>	<u>1,893,758</u>	<u>1,733,798</u>	<u>1,767,879</u>	<u>1,740,707</u>	<u>1,653,095</u>	<u>1,897,088</u>	<u>1,874,591</u>	<u>1,830,678</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$13,187,399	\$12,957,875	\$13,262,631	\$12,624,570	\$12,365,093	\$12,115,008	\$11,960,696	\$10,996,002	\$10,944,944	\$10,513,597
Contributions as a percentage of covered payroll	11.84%	14.40%	14.28%	13.73%	14.30%	14.37%	13.82%	17.25%	17.13%	17.41%
NYSTRS Pension Plan										
	<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	\$5,204,536	\$4,918,228	\$4,719,095	\$4,291,533	\$5,085,292	\$4,563,687	\$5,231,254	\$5,743,878	\$7,328,591	\$6,632,502
Contributions in relation to the contractually required contribution	<u>5,204,536</u>	<u>4,918,228</u>	<u>4,719,095</u>	<u>4,291,533</u>	<u>5,085,292</u>	<u>4,563,687</u>	<u>5,231,254</u>	<u>5,743,878</u>	<u>7,328,591</u>	<u>6,632,502</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$51,381,959	\$51,286,139	\$50,589,695	\$49,660,368	\$48,928,438	\$47,631,850	\$45,329,603	\$43,454,191	\$42,103,796	\$40,954,526
Contributions as a percentage of covered payroll	10.13%	9.59%	9.33%	8.64%	10.39%	9.58%	11.54%	13.22%	17.41%	16.19%

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$2,579,702	\$2,697,033	\$4,660,635	\$4,017,170	\$1,842,753	\$1,789,081
Interest	4,332,359	6,437,125	3,190,571	3,471,331	4,843,894	4,714,196
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Changes of assumptions or other inputs	(4,497,039)	(68,649,964)	13,092,242	5,739,875	-	-
Benefit payments	<u>(2,972,972)</u>	<u>(2,869,490)</u>	<u>(2,843,143)</u>	<u>(2,831,157)</u>	<u>(2,800,790)</u>	<u>(2,794,424)</u>
Net change in total OPEB liability	(557,950)	(62,385,296)	18,100,305	10,397,219	3,885,857	3,708,853
Total OPEB liability - beginning	<u>109,795,464</u>	<u>172,180,760</u>	<u>154,080,455</u>	<u>143,683,236</u>	<u>139,797,379</u>	<u>136,088,526</u>
Total OPEB liability - ending	<u>109,237,514</u>	<u>\$109,795,464</u>	<u>\$172,180,760</u>	<u>\$154,080,455</u>	<u>\$143,683,236</u>	<u>\$139,797,379</u>
Covered-employee payroll	55,266,082	\$55,266,082	\$56,957,084	\$56,957,084	\$57,687,481	\$57,687,481
Total OPEB liability as a percentage of covered-employee payroll	197.66%	198.67%	302.30%	270.52%	249.07%	242.34%

Notes to Schedule:*Trust Assets*

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

Changes of Assumptions

The discount rate was 4.00% as of June 30, 2023
The discount rate was 3.77% as of June 30, 2022.
The discount rate was 2.09% as of June 30, 2021.
The discount rate was 2.44% as of June 30, 2020.
The discount rate was 3.50% as of June 30, 2019.
The discount rate was 3.50% as of June 30, 2018.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$130,586,214
Add: Prior year's encumbrances		<u>1,524,578</u>
Original Budget		<u>132,110,792</u>
Budget Revisions:		
Appropriation of capital reserve	\$17,209,455	
Appropriation of liability reserve	<u>139,167</u>	<u>17,348,622</u>
Total Budget Revisions		
Final Budget		<u><u>\$149,459,414</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 voter-approved expenditure budget	<u><u>\$135,017,834</u></u>
Maximum allowed (4% of 2023-2024 budget)	<u><u>\$5,400,713</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	1,392,030
Unassigned fund balance	<u>5,400,713</u>
Total unrestricted fund balance	<u><u>6,792,743</u></u>
Less:	
Encumbrances included in assigned fund balance	<u>1,392,030</u>
Total adjustments	<u><u>1,392,030</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$5,400,713</u></u>
Actual percentage of 2023-2024 budget	<u><u>4.00%</u></u>

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
JUNE 30, 2023

Project Title	Revised Appropriation	Expenditures and Obligations to Date			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2023
		Prior Year's	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
HHS Field Lights	\$ 640,089	\$ 567,834	\$ -	\$ 567,834	\$ 72,255	\$ -	\$ -	\$ 578,720	\$ 578,720	\$ 10,886
FECC Driveway Reconstruction	485,599	462,212		462,212	23,387			485,599	485,599	23,387
HES Gym HVAC/Asphalt	340,000	331,922		331,922	8,078			340,000	340,000	8,078
District Alarm System	185,000	76,816		76,816	108,184			185,000	185,000	108,184
FECC Cupola & Gutter Repair	1,977,819	63,123	946,129	1,009,252	968,567			1,977,819	1,977,819	968,567
FECC Repointing & Masonry	906,699	15,148		15,148	891,551			906,699	906,699	891,551
HES Repointing & Masonry	639,000			-	639,000			639,000	639,000	639,000
OES Repointing & Masonry	1,166,628	10,169		10,169	1,156,459			1,151,929	1,151,929	1,141,760
HHS Sci Lab Gas Lines	9,179,500			-	9,179,500			9,179,500	9,179,500	9,179,500
HES HVAC Upgrades (2015-16)	4,976,183	3,808,449		3,808,449	1,167,734			4,976,183	4,976,183	1,167,734
FECC Window Relacement	39,000			-	39,000			39,000	39,000	39,000
WMS New Storage Blding	636,000	17,972	15,095	33,067	602,933			636,000	636,000	602,933
WMS Asphalt Repairs	628,312			-	628,312			628,312	628,312	628,312
HHS Window Replacement	3,703,973	3,007,380	(15,946)	2,991,434	712,539			3,703,973	3,703,973	712,539
HHS Asphalt Repairs	96,246			-	96,246			96,246	96,246	96,246
FECC Bathroom Renovation	2,515,325	12,166	12,555	24,721	2,490,604			2,515,325	2,515,325	2,490,604
HHS Multi-Phase HVAC Project	15,593,186	14,538,862	347,768	14,886,630	706,556			15,593,186	15,593,186	706,556
WMS Field/Pking Lot/site/work/bathroom	2,025,000	1,754,532	8,600	1,763,132	261,868			2,025,000	2,025,000	261,868
WEC Complete Windows	811,685	702,049		702,049	109,636			811,685	811,685	109,636
WMS Repoint & Masonry	325,000			-	325,000			325,000	325,000	325,000
HES Pool System Repairs	598,931	6,356	50,463	56,819	542,112			598,931	598,931	542,112
Dist Wide Fence Replacement	100,000	26,219		26,219	73,781			100,000	100,000	73,781
Dist Wide Carpet/ Floor Tile	138,290		62,786	62,786	75,504			138,290	138,290	75,504
Dist Wide Blueprint Digit	123,848			-	123,848			123,848	123,848	123,848
HHS Pool Renovation	67,505			-	67,505	49,218		18,287	67,505	67,505
WEC Pking Lot/Sitework	861,628	9,097	17,338	26,435	835,193			861,628	861,628	835,193
HES Slate Roof	3,230,027	1,854,443	121,010	1,975,453	1,254,574			3,230,027	3,230,027	1,254,574
HHS LC Roof	2,273,000	61,845	1,515,929	1,577,774	695,226			2,273,000	2,273,000	695,226
WMS Elevator Renovation	325,000	170,113	23,687	193,800	131,200			325,000	325,000	131,200
District Wide Intrusion Alarm System	75,000	14,097	35,266	49,363	25,637			75,000	75,000	25,637
District Wide CCTV & Lighting Upgrades	652,387		316,751	316,751	335,636			652,387	652,387	335,636
WEC Fire Escape & Windows	274,594	9,691	220,449	230,140	44,454			274,594	274,594	44,454
FECC HVAC Gym #2	463,610		23,807	23,807	439,803			463,610	463,610	439,803
HHS HVAC Fac Lg Phase 2	128		128	128	-			128	128	-
WMS Blding wide Surge Pro	600,000		2,542	2,542	597,458			600,000	600,000	597,458
HHS Boiler, Fields, Lockers	2,650,000		97,562	97,562	2,552,438			2,650,000	2,650,000	2,552,438
OES Plumbig Upgrades	505,000			-	505,000			505,000	505,000	505,000
HES Plumbig Upgrades	505,000			-	505,000			505,000	505,000	505,000
CarrHse Boiler Replacement	200,000			-	200,000			200,000	200,000	200,000
HES Elevator Renovation	300,000		18,584	18,584	281,416			300,000	300,000	281,416
FECC Elevator Renovation	360,000		19,009	19,009	340,991			360,000	360,000	340,991
WEC ADA Toilet Renovation	750,000		16,950	16,950	733,050			750,000	750,000	733,050
HHS Auditorium Renovation	6,199,190			-	6,199,190			6,199,190	6,199,190	6,199,190
WMS Sci Lab Renov/ Athletic Fields	1,955,765			-	1,955,765			1,955,765	1,955,765	1,955,765
SSBA Project	392,658	395,376	32,930	428,306	(35,648)		392,658		392,658	(35,648) *
TOTAL	\$70,471,805	\$27,915,871	\$3,889,392	\$31,805,263	\$38,666,542	\$49,218	\$392,658	\$69,953,861	\$70,395,737	\$38,590,474

* Deficit fund balance will be eliminated once NYS Smart School Bond aid is received.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2023

Capital assets, net		\$94,895,020
Intangible lease assets, net		81,491
Add:		
Deferred amounts on refunding		70,274
Deduct:		
Short-term portion of bonds payable (inclusive of unamortized premiums)	\$2,044,608	
Long-term portion of bonds payable (inclusive of unamortized premiums)	1,909,202	
Less: Unspent bond proceeds	<u>(49,218)</u>	3,904,592
Short-term portion of lease liability	<u>\$81,695</u>	81,695
Short-term portion of energy performance contract debt	<u>\$426,708</u>	<u>426,708</u>
Net investment in capital assets		<u><u>\$90,633,790</u></u>

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

To the Board of Education
Hewlett-Woodmere Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Hewlett-Woodmere Union Free School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 4, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "R.S. Abrams & Co., LLP".

R.S. Abrams & Co., LLP
Islandia, New York
October 4, 2023