

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

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, 2024, 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, 2024, 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 District's proportionate share of the net pension asset/(liability), 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 17 and 66 through 70, 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 7, 2024, 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

R.S. Abrams & Co., LLP
Islandia, New York
October 7, 2024

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024. 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

- The District's total net position, as reflected in the District-Wide Financial Statements, increased by \$5,027,902, or 8.09%.
- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$140,188,309. Of this amount, \$2,704,543 was offset by program charges for services, \$4,567,760 was offset by operating grants and contributions, and \$14,222 was offset by capital grants. General revenues of \$137,929,686, amount to 94.99% of total revenues.
- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by \$8,372,793, or 11.99%. This was due to revenues exceeding expenditures and other financing uses based on the modified accrual basis of accounting.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year's budget, which can be retained by the general fund up to 4.00% of the ensuing year's budget. At the end of the current fiscal year, the District was within this statutory limit.
- On May 21, 2024, the residents approved the establishment of a new capital reserve fund ("Long Range Building Improvement Fund #2), with a 10 year term, maximum annual funding of \$10,000,000 and maximum cumulative funding of \$40,000,000.
- On May 21, 2024, the proposed 2024-2025 budget in the amount of \$138,494,692 was authorized by the District's residents, which represents an increase of \$3,476,858, or 2.58%, over the previous year's budget.

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:

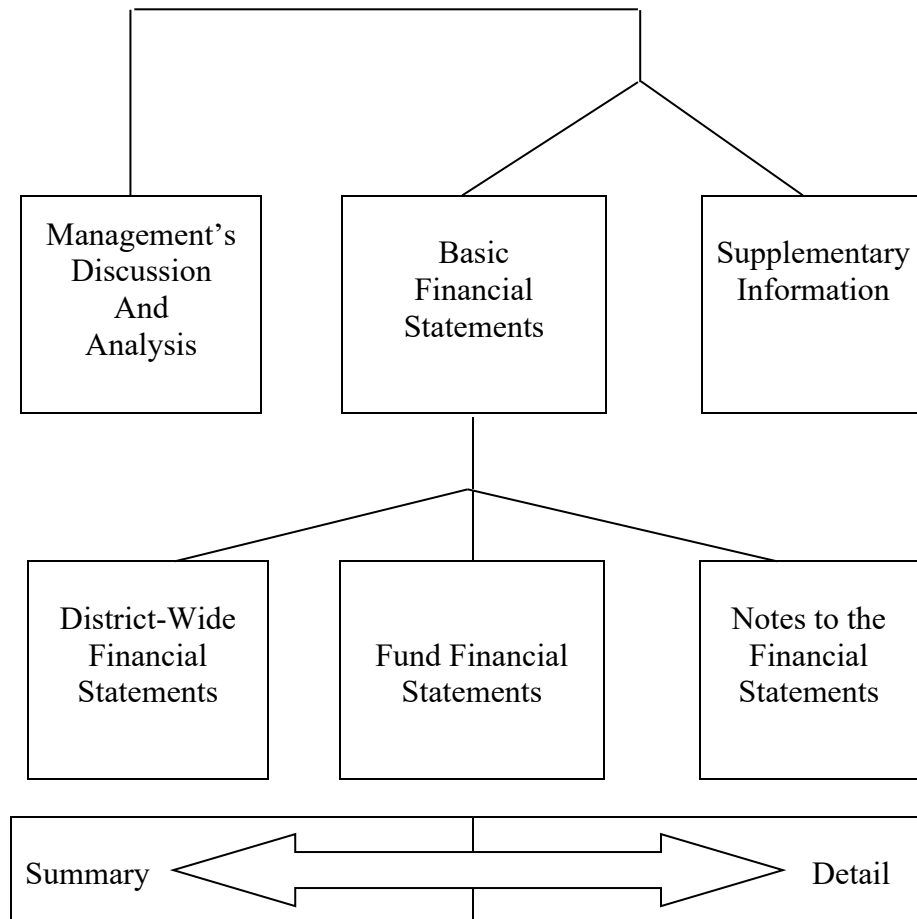
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- 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, 2024**

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, 2024**

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 the District's 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 or 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 the District-Wide Financial Statements and do not affect the governmental funds' 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, 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;*

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- *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
- *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 net position increased by \$5,027,902, or 8.09%, in the fiscal year ended June 30, 2024 as detailed in the Table that follows:

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Total Percentage Change
Current assets	\$135,977,205	\$129,340,864	\$6,636,341	5.13%
Non-current assets	98,368,057	95,016,732	3,351,325	3.53%
Total Assets	234,345,262	224,357,596	9,987,666	4.45%
Deferred outflows of resources	51,598,770	44,797,042	6,801,728	15.18%
Total Assets and Deferred Outflows of Resources	285,944,032	269,154,638	16,789,394	6.24%
Current liabilities	14,466,818	14,097,636	369,182	2.62%
Long-term liabilities	157,184,900	136,959,440	20,225,460	14.77%
Total Liabilities	171,651,718	151,057,076	20,594,642	13.63%
Deferred inflows of resources	47,141,104	55,974,254	(8,833,150)	-15.78%
Total Liabilities and Deferred Inflows of Resources	218,792,822	207,031,330	11,761,492	5.68%
Net Position				
Net investment in capital assets	95,443,150	90,633,790	4,809,360	5.31%
Restricted	95,256,957	87,580,058	7,676,899	8.77%
Unrestricted (deficit)	(123,548,897)	(116,090,540)	(7,458,357)	6.42%
Total Net Position	\$67,151,210	\$62,123,308	\$5,027,902	8.09%

Current assets increased \$6,636,431, or 5.13%, primarily due to an increase in cash and cash equivalents, state and federal aid receivables, due from other governments, accounts receivable, and inventory, offset by a decrease in taxes receivable.

Non-current assets (capital assets net of accumulated depreciation, intangible lease assets net of accumulated amortization, and lease receivable) increased by \$3,351,325, or 3.53%, primarily due to current year additions and capital outlay exceeding the current year depreciation and amortization expense.

The changes in deferred inflows and outflows of resources relate to changes in the District's pension and other post-employment benefit plans. Factors affecting the District's pension plans include amortization of pension related items, contributions subsequent to the measurement date, and changes in actuarial assumptions, as discussed in Note 13. Factors affecting the District's other post-employment benefit plan include service costs, interest costs, and changes in actuarial assumptions, as discussed in Note 15.

Current liabilities increased by \$369,182, or 2.62%, primarily due to increases in due to other governments, due to employees' retirement system, due to teachers' retirement system, and collections in advance, partially offset by decreases in accounts payable, accrued liabilities, and accrued interest payable.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Long-term liabilities increased by \$20,225,460, or 14.77%, primarily as a result of changes in the actuarial valuations for the net pension liabilities and other post-employment benefits obligation, as well as an increase in lease liability.

The net investment in capital assets relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, construction in progress, building and building improvements, furniture and equipment, land improvements, and vehicles, net of accumulated depreciation, accumulated amortization, and related debt. This number increased from the prior year by \$4,809,360, or 5.31%, primarily due to a reduction in bonds payable and energy performance contract debt payable, as well as current year additions and capital outlay, partially offset by current year amortization and depreciation.

The restricted net position balance in the amount of \$95,256,957 relates to the District's reserves: workers' compensation, unemployment insurance, employees' retirement system contribution, teachers' retirement system contribution, property loss, liability, employee benefit accrued liability, capital, and repair, as well as amounts restricted for scholarships and donations, and debt service. The restricted amount increased by \$7,676,899, or 8.77%, as compared to the prior year.

The unrestricted net deficit at June 30, 2024 of \$123,548,897 relates to the balance of the District's net deficit. This unrestricted net deficit increased by \$7,458,357 or 6.42%.

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, 2024 and 2023 are as follows:

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change in Net Position from Operating Results – Governmental Activities Only

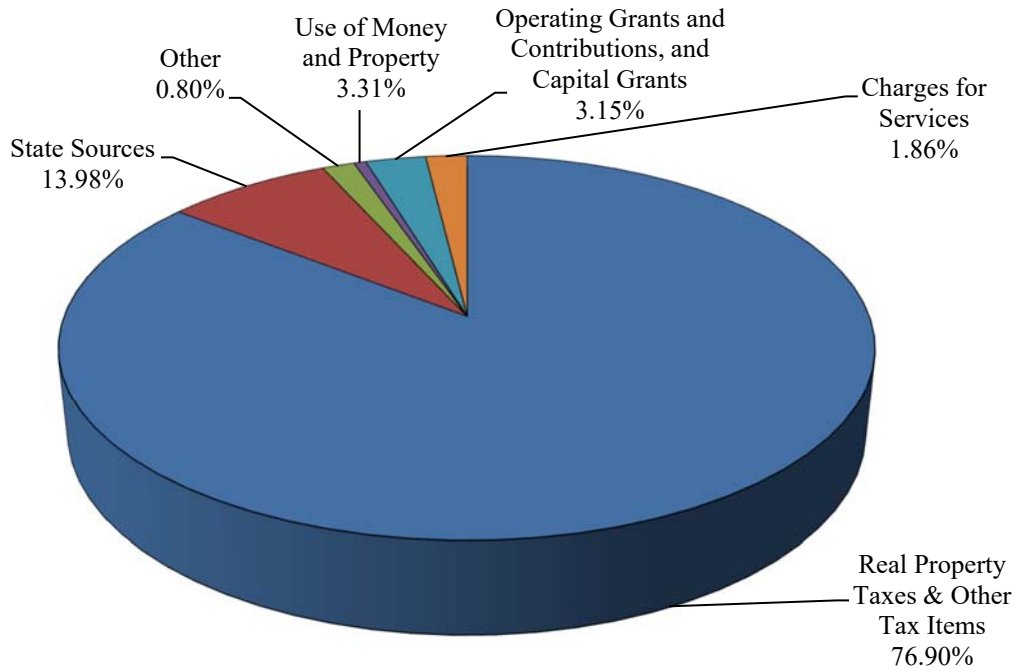
	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Total Percentage Change
Revenues				
Program Revenues				
Charges for services	\$2,704,543	\$3,150,905	(\$446,362)	-14.17%
Operating grants and contributions	4,567,760	4,521,636	46,124	1.02%
Capital grants	14,222	-	14,222	N/A
General Revenues				
Real property taxes and other tax items	111,664,427	111,199,511	464,916	0.42%
Use of money and property	4,802,108	2,240,590	2,561,518	114.32%
State sources	20,298,915	16,640,600	3,658,315	21.98%
Other	1,164,236	2,033,949	(869,713)	-42.76%
Total Revenues	<u>145,216,211</u>	<u>139,787,191</u>	<u>5,429,020</u>	3.88%
Expenses				
General support	19,354,739	17,958,661	1,396,078	7.77%
Instruction	107,907,448	97,419,972	10,487,476	10.77%
Pupil transportation	9,839,556	8,694,367	1,145,189	13.17%
Community service	1,110,672	872,731	237,941	27.26%
Debt service - interest	(37,848)	24,446	(62,294)	-254.82%
Food service program	2,013,742	1,434,790	578,952	40.35%
Total Expenses	<u>140,188,309</u>	<u>126,404,967</u>	<u>13,783,342</u>	10.90%
Change in Net Position	<u>\$5,027,902</u>	<u>\$13,382,224</u>	<u>(\$8,354,322)</u>	-62.43%

The District's fiscal year 2024 revenues totaled \$145,216,211. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 76.90% and 13.98%, respectively, of total revenue. The remainder represents charges for services, operating grants and contributions, capital grants, use of money and property, and other miscellaneous sources.

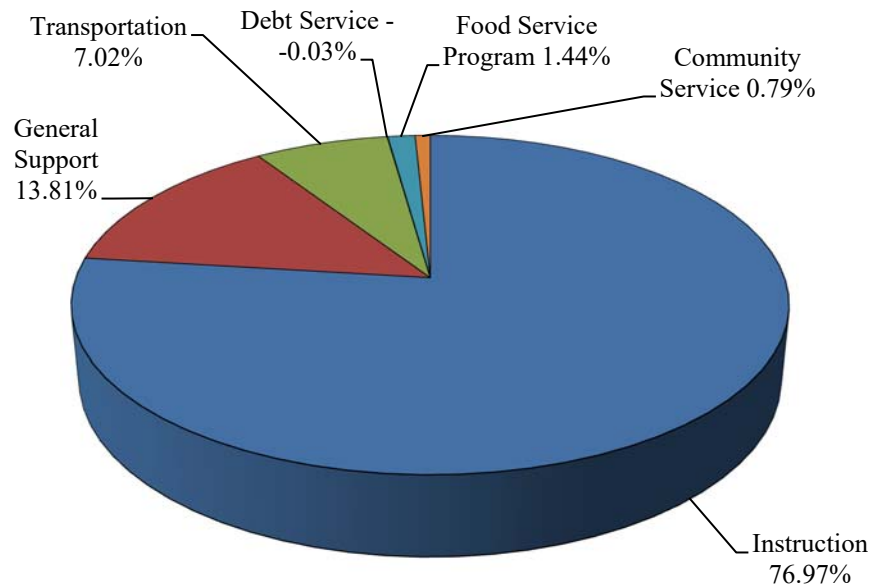
The total cost of all programs and services totaled \$140,188,309. Instruction and general support activities accounted for 76.97% and 13.81%, respectively, of the District expenses. Total expenses increased by \$13,783,342, or 10.90%, primarily due to increases in general support, instruction, and pupil transportation expenses, as a result of the changes in the current year's net pension liabilities and other post-employment benefits obligation valuations, with the majority of the associated expense being allocated to these functions.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2024



**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 purchased and intangible lease assets 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, 2024, the District's combined governmental funds reported a total fund balance of \$116,472,552, which is an increase of \$5,605,968, or 5.06%, from the prior year. See the 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, 2024**

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

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Percentage Change
General Fund				
Restricted for workers' compensation	\$ 4,349,209	\$ 11,205,068	\$ (6,855,859)	(61.19%)
Restricted for unemployment insurance	4,187,751	3,990,497	197,254	4.94%
Restricted for retirement contribution - ERS	23,951,239	23,647,045	304,194	1.29%
Restricted for retirement contribution - TRS	5,083,157	5,018,598	64,559	1.29%
Restricted for property loss	4,442,766	1,918,092	2,524,674	131.62%
Restricted for liability	5,402,565	2,714,740	2,687,825	99.01%
Restricted for employee benefit accrued liability	1,445,630	1,427,270	18,360	1.29%
Restricted for capital	13,579,968	3,208,237	10,371,731	323.28%
Restricted for repair	8,793,312	9,893,185	(1,099,873)	(11.12%)
Assigned - general support	494,589	605,769	(111,180)	(18.35%)
Assigned - instruction	772,767	658,789	113,978	17.30%
Assigned - pupil transportation	67,356	106,633	(39,277)	(36.83%)
Assigned - community services	12,886	14,003	(1,117)	(7.98%)
Assigned - employee benefits	65,285	6,836	58,449	855.02%
Unassigned	5,539,788	5,400,713	139,075	2.58%
Total fund balance - general fund	78,188,268	69,815,475	8,372,793	11.99%
School Lunch Fund				
Nonspendable	54,372	41,827	12,545	29.99%
Assigned	-	434,256	(434,256)	(100.00%)
Unassigned (deficit)	(6,425)	-	(6,425)	N/A
Total fund balance- school lunch fund	47,947	476,083	(428,136)	(89.93%)
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	534,686	511,175	23,511	4.60%
Assigned unappropriated	191,837	191,048	789	0.41%
Total fund balance - miscellaneous special revenue fund	726,523	702,223	24,300	3.46%
Capital Projects Fund				
Restricted for capital	21,998,613	22,763,822	(765,209)	(3.36%)
Restricted for unspent debt proceeds	49,218	49,218	-	0.00%
Assigned	13,973,922	15,777,434	(1,803,512)	(11.43%)
Total fund balance - capital projects fund	36,021,753	38,590,474	(2,568,721)	(6.66%)
Debt Service Fund				
Restricted	1,488,061	1,282,329	205,732	16.04%
Total fund balance - capital projects fund	1,488,061	1,282,329	205,732	16.04%
Total fund balance - all funds	\$ 116,472,552	\$ 110,866,584	\$ 5,605,968	5.06%

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A) General Fund:

The fund balance in the general fund increased by \$8,372,793 which is the result of revenues of \$138,829,321 exceeding expenditures and other financing uses of \$130,456,528.

A summary of changes in revenues, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 104,917,716	\$ 103,588,362	\$ 1,329,354	1.28%
Other tax items - including STAR	6,746,711	7,611,149	(864,438)	-11.36%
Charges for services	1,232,031	1,785,658	(553,627)	-31.00%
Use of money and property	4,576,020	2,076,505	2,499,515	120.37%
Sale of property and compensation for loss	28,003	76,852	(48,849)	-63.56%
Miscellaneous	866,653	1,800,755	(934,102)	-51.87%
State sources	20,298,915	16,640,599	3,658,316	21.98%
Federal sources	163,272	450,727	(287,455)	-63.78%
Total Revenues	<u>138,829,321</u>	<u>134,030,607</u>	<u>4,798,714</u>	3.58%
Expenditures				
General support	15,138,193	14,476,275	661,918	4.57%
Instruction	69,567,609	66,755,581	2,812,028	4.21%
Pupil transportation	9,576,104	8,596,112	979,992	11.40%
Community services	839,972	676,882	163,090	24.09%
Employee benefits	28,667,814	26,101,999	2,565,815	9.83%
Debt service - principal	2,355,603	2,215,113	140,490	6.34%
Debt service - interest	148,212	242,752	(94,540)	-38.95%
Total Expenditures	<u>126,293,507</u>	<u>119,064,714</u>	<u>7,228,793</u>	6.07%
Other Financing Uses				
Operating transfers out	<u>4,163,021</u>	<u>21,378,827</u>	<u>(17,215,806)</u>	-80.53%
Total Other Financing Uses	<u>4,163,021</u>	<u>21,378,827</u>	<u>(17,215,806)</u>	-80.53%
Net Change in Fund Balances	<u>\$ 8,372,793</u>	<u>\$ (6,412,934)</u>	<u>\$ 14,785,727</u>	-230.56%

Revenues increased when compared to the prior year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2023-2024 voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- State sources increased due to the District receiving more general aid.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Expenditures increased when compared to the prior year, primarily due to the following:

- Instruction increased mainly due to contractual salary increases.
- Pupil transportation increased due to additional routes and increase in transportation for nonpublic schools in the current year.
- Employee benefits increased due to increases in insurance premiums, higher pension contribution rates for the employee retirement system and the settlement of workers' compensation claims in the current year, partially offset by a decrease in pension contribution rates for the teachers' retirement system.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Transfers/ Use	Ending Balance
Workers' compensation	\$ 11,205,068	\$ -	\$ 144,141	\$ (7,000,000)	\$ 4,349,209
Unemployment insurance	3,990,497	145,921	51,333	-	4,187,751
Retirement contribution					
Employees' retirement system	23,647,045	-	304,194	-	23,951,239
Teachers' retirement system	5,018,598	-	64,559	-	5,083,157
Property loss	1,918,092	2,500,000	24,674	-	4,442,766
Liability	2,714,740	3,001,245	34,922	(348,342)	5,402,565
Employee benefit accrued liability	1,427,270	-	18,360	-	1,445,630
Capital	3,208,237	3,000,000	371,731	7,000,000	13,579,968
Repair	9,893,185	850,000	127,265	(2,077,138)	8,793,312
Total Restricted Fund Balance	<u>\$ 63,022,732</u>	<u>\$ 9,497,166</u>	<u>\$ 1,141,179</u>	<u>\$ (2,425,480)</u>	<u>\$ 71,235,597</u>

The District received voter authorization on the May 21, 2024 budget vote to transfer \$7,000,000 of excess funds in the workers' compensation reserve into the capital reserve.

B) School Lunch Fund:

The fund balance in the school lunch fund decreased by \$428,136. This decrease is due to the program's cost of sales exceeding revenues and other financing sources.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund increased by \$24,300. The increase is due to revenues exceeding expenditures for extraclassroom activities and scholarships and donations.

D) Capital Projects Fund:

The fund balance in the capital projects fund decreased by \$2,568,721 as compared to the prior year. This decrease was due to capital outlay exceeding other financing sources. The District had

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

capital outlay in the amount of \$7,157,838, partially offset by a budgetary interfund transfer from the general fund of \$4,000,000 and proceeds from leases in the amount of \$589,117.

D) Debt Service Fund:

Fund balance in the debt service fund increased by \$205,732. This increase was the result of the current year's interest earnings.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2023-24 Budget

The District's general fund adopted budget for the fiscal year ended June 30, 2024 was \$135,017,834. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,392,030 and budget revisions of \$590,880, which resulted in a final budget of \$137,000,744. The majority of the funding was provided by real property taxes and other tax items revenue budget of \$111,145,339.

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	\$ 5,400,713
Revenues over budget	5,021,505
Expenditures, encumbrances, and other financing uses under budget	5,131,333
Interest allocated to reserves	(1,141,179)
Funding to reserves	(9,497,166)
Use of reserves	1,834,600
Unused appropriated reserves	(1,210,018)
Closing, unassigned fund balance	<u>\$ 5,539,788</u>

The opening unassigned fund balance of \$5,400,713 is the June 30, 2023 unassigned fund balance.

The revenues over budget of \$5,021,505 are primarily due to variances in real property taxes, other tax items, use of money and property, and state sources, partially offset by variances under budget in charges for services. Refer to Supplemental Schedule #1 for more details.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The expenditures, encumbrances, and other financing uses under budget of \$5,131,333 represent savings across the budget, with the largest being \$2,573,718 in instruction, \$1,320,708 in employee benefits, and \$800,469 in general support. Refer to Supplemental Schedule #1 for more details.

The District funded reserves in the amount of \$9,497,166, as detailed on page 13.

Interest of \$1,141,179 was also allocated to the reserves as detailed on page 13.

The District used the repair reserve in the amount of \$1,834,300.

The District recorded budget revisions related to the use of the repair reserve in the amount of \$242,538, and use of the liability reserve in the amount of \$348,342. These budget revisions had no net effect on ending unassigned fund balance.

The District had budgeted for appropriated use of the ERS retirement contribution reserve in the amount of \$1,210,018, which was not utilized and therefore was transferred back to the respective reserves.

The District closed the 2023-2024 fiscal year with \$5,539,788 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District was in compliance with this limit.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

At June 30, 2024, the District had invested in a broad range of capital assets and intangible lease assets, including land, building and building improvements, furniture and equipment, vehicles, and land improvements. The net increase in capital assets is due to capital additions exceeding depreciation expense recorded for the fiscal year ended June 30, 2024. The net increase in intangible lease assets is due to current year additions exceeding amortization expense. A summary of the District's capital assets, net of accumulated depreciation, and intangible lease assets, net of accumulated amortization, at June 30, 2024 and 2023, is as follows:

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Category	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Percentage Change
Land	\$5,159,600	\$5,159,600	\$ -	0.00%
Construction in progress	37,144,162	34,361,850	2,782,312	8.10%
Buildings & improvements	113,965,176	110,178,767	3,786,409	3.44%
Furniture & equipment	5,873,653	6,917,977	(1,044,324)	-15.10%
Land improvements	5,306,632	4,246,701	1,059,931	24.96%
Vehicles	938,001	915,926	22,075	2.41%
Subtotal	168,387,224	161,780,821	6,606,403	4.08%
Less: accumulated depreciation	70,547,483	66,885,801	3,661,682	5.47%
Total Capital Assets, net	<u>\$97,839,741</u>	<u>\$95,705,922</u>	<u>\$2,133,819</u>	2.23%
Intangible Lease Assets, net	<u>\$501,102</u>	<u>\$81,491</u>	<u>\$419,611</u>	514.92%

Depreciation expense and loss on disposals was \$5,256,650 and amortization expense was \$169,506 for the fiscal year ended June 30, 2024. See Note 9 to the financial statements for additional detail.

B) Long-Term Debt

At June 30, 2024, the District had total debt payable, including bonds payable (inclusive of unamortized premiums), and lease liability of \$2,411,482. The decrease in bonds payable and energy performance contract debt payable represents principal payments and amortization of bond premiums. The increase in lease liability is related to the issuance of new lease agreements, partially offset by current year's principal payments. 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, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Bonds payable (inclusive of unamortized premiums)	\$1,909,203	\$3,953,810	(\$2,044,607)
Lease liability	502,279	81,695	420,584
Energy performance contract debt payable	-	426,708	(426,708)
	<u>\$2,411,482</u>	<u>\$4,462,213</u>	<u>(\$2,050,731)</u>

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A. The general fund budget for the 2024-2025 school year, in the amount of \$138,494,692, was approved by voters. This is an increase of \$3,476,858 or 2.58% over the previous year's budget.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The tax cap discussed below, as well as uncertainty in state aid and federal funds, may impact the District's future budgets.

B. Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
- Increased costs associated with meeting the requirements for instructional services.
- Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
- Rising inflation as well as interest rates, which can affect all areas of the budget.
- The property tax cap as discussed below.

C. New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters requiring a simple majority vote. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

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
Dr. Alan Groveman
Interim Assistant Superintendent for Finance and Personnel
One Johnson Place
Woodmere, New York 11598
(516) 792-4803
agroveman@hewlett-woodmere.net

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

Exhibit 2

ASSETS

Current assets

Cash and cash equivalents	
Unrestricted	\$25,855,872
Restricted	95,306,175
Receivables	
State and federal aid	3,432,408
Taxes receivable	3,127,929
Due from other governments	8,155,891
Accounts receivable	44,558
Inventory	54,372

Non-current assets

Receivable within one year	
Lease receivable	13,471
Receivable after one year	
Lease receivable	13,743
Capital assets	
Capital assets not being depreciated	42,303,762
Capital assets being depreciated, net of accumulated depreciation	55,535,979
Intangible lease asset, net of accumulated amortization	501,102

TOTAL ASSETS

234,345,262

DEFERRED OUTFLOWS OF RESOURCES

Pensions	26,900,032
Other post-employment benefits obligation	24,698,738

TOTAL DEFERRED OUTFLOWS OF RESOURCES

51,598,770

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

285,944,032

LIABILITIES

Payables

Accounts payable	2,650,414
Accrued liabilities	631,556
Accrued interest payable	15,875
Due to other governments	4,022,140
Due to employees' retirement system	595,259
Due to teachers' retirement system	5,751,882

Unearned credits

Collections in advance	799,692
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Long-term liabilities

Due and payable within one year	
Bonds payable (inclusive of unamortized premiums)	1,909,203
Lease liability	129,786
Compensated absences payable	187,183
Termination benefits payable	369,759
Total other post-employment benefits obligation	3,165,789
Due and payable after one year	
Lease liability	372,493
Compensated absences payable	3,894,695
Termination benefits payable	48,005
Workers' compensation claims payable	7,122,090
Net pension liability - proportionate share - employees' retirement system	5,398,528
Net pension liability - proportionate share - teachers' retirement system	3,131,761
Total other post-employment benefits obligation	131,455,609

TOTAL LIABILITIES

171,651,718

DEFERRED INFLOWS OF RESOURCES

Leases	27,214
Pensions	4,533,436
Other post-employment benefits obligation	42,580,454

TOTAL DEFERRED INFLOWS OF RESOURCES

47,141,104

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

218,792,822

NET POSITION

Net investment in capital assets	95,443,150
Restricted	95,256,957
Unrestricted	(123,548,897)

TOTAL NET POSITION

\$67,151,210

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants	
FUNCTIONS / PROGRAMS	Expenses				
General support	(\$19,354,739)				(\$19,354,739)
Instruction	(107,907,448)	\$2,083,644	\$3,595,613	\$14,222	(102,213,969)
Pupil transportation	(9,839,556)		115,873		(9,723,683)
Community services	(1,110,672)				(1,110,672)
Debt service-interest	37,848				37,848
Food service program	(2,013,742)	620,899	856,274		(536,569)
TOTAL FUNCTIONS AND PROGRAMS	(\$140,188,309)	\$2,704,543	\$4,567,760	\$14,222	(132,901,784)
GENERAL REVENUES					
Real property taxes					104,917,716
Other tax items - including STAR reimbursement					6,746,711
Use of money and property					4,802,108
Sale of property and compensation for loss					28,003
Miscellaneous					972,961
State sources					20,298,915
Medicaid reimbursement					163,272
TOTAL GENERAL REVENUES					137,929,686
CHANGE IN NET POSITION					5,027,902
TOTAL NET POSITION - BEGINNING OF YEAR					62,123,308
TOTAL NET POSITION - END OF YEAR					\$67,151,210

Exhibit 4

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	\$24,578,857	\$572,574	\$512,604	\$191,837			\$25,855,872
Restricted	80,764,582			303,728	\$13,197,090	\$1,040,775	95,306,175
Receivables							
State and federal aid	524,616	2,824,289	69,281		14,222		3,432,408
Due from other governments	8,155,891						8,155,891
Due from other funds	5,662,155	1,822,510		248,106	24,017,930	447,286	32,197,987
Accounts receivable	31,813		12,745				44,558
Taxes receivable	3,127,929						3,127,929
Lease receivable	27,214						27,214
Inventory			54,372				54,372
TOTAL ASSETS	\$122,873,057	\$5,219,373	\$649,002	\$743,671	\$37,229,242	\$1,488,061	\$168,202,406
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Payables							
Accounts payable	\$1,922,874	\$156,437	\$35,674		\$535,429		\$2,650,414
Accrued liabilities	586,306	31,927	6,926	\$6,397			631,556
Due to other governments	4,022,140						4,022,140
Do to other funds	26,075,230	5,029,602	424,566	10,751	657,838		32,197,987
Due to employees' retirement system	573,509		21,750				595,259
Due to teachers' retirement system	5,751,882						5,751,882
Unearned credits							
Collections in advance	686,146	1,407	112,139				799,692
TOTAL LIABILITIES	39,618,087	5,219,373	601,055	17,148	1,193,267	-	46,648,930
DEFERRED INFLOWS OF RESOURCES							
Tuition	5,039,488						5,039,488
Leases	27,214						27,214
State aid					14,222		14,222
TOTAL DEFERRED INFLOWS OF RESOURCES	5,066,702	-	-	-	14,222	-	5,080,924
FUND BALANCES							
Non-spendable: Inventory			54,372				54,372
Restricted:							
Workers' compensation	4,349,209						4,349,209
Unemployment insurance	4,187,751						4,187,751
Retirement contribution - ERS	23,951,239						23,951,239
Retirement contribution - TRS	5,083,157						5,083,157
Property loss	4,442,766						4,442,766
Liability	5,402,565						5,402,565
Employee benefit accrued liability	1,445,630						1,445,630
Capital	13,579,968				21,998,613		35,578,581
Repair	8,793,312						8,793,312
Scholarships and donations				534,686			534,686
Unspent bond proceeds					49,218		49,218
Debt service						1,488,061	1,488,061
Assigned:							
Unappropriated	1,412,883			191,837	13,973,922		15,578,642
Unassigned (deficit)	5,539,788		(6,425)				5,533,363
TOTAL FUND BALANCES	78,188,268	-	47,947	726,523	36,021,753	1,488,061	116,472,552
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$122,873,057	\$5,219,373	\$649,002	\$743,671	\$37,229,242	\$1,488,061	\$168,202,406

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Governmental Fund Balances	\$116,472,552
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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	\$168,387,224	
Accumulated depreciation	(70,547,483)	97,839,741

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 intangible leased assets	\$848,404	
Accumulated amortization	(347,302)	501,102

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 other post-employment benefits obligation that will be recognized as expenditures in future periods amounted to:

Pensions	\$26,900,032	
Other post-employment benefits obligation	24,698,738	51,598,770

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 other post-employment benefits obligation that will be recognized as a reduction in pension expense in future periods amounted to:

Pensions	(\$4,533,436)	
Other post-employment benefits obligation	(42,580,454)	(47,113,890)

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.	5,053,710
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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	(15,875)
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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)	(\$1,909,203)	
Lease liability	(502,279)	
Compensated absences payable	(4,081,877)	
Termination benefits payable	(417,764)	
Workers' compensation claims payable	(7,122,090)	
Net pension liability - proportionate share - employees' retirement system	(5,398,528)	
Net pension liability - proportionate share - teachers' retirement system	(3,131,761)	
Total other post-employment benefits obligation	(134,621,398)	(157,184,900)

Total Net Position	\$67,151,210
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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, 2024

	<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	\$104,917,716						\$104,917,716
Other tax items - including STAR reimbursement	6,746,711						6,746,711
Charges for services	1,232,031			\$221,371			1,453,402
Use of money and property	4,576,020		\$13,523	6,833		\$205,732	4,802,108
Sale of property and compensation for loss	28,003						28,003
Miscellaneous	866,653		106,308	113,597			1,086,558
State sources	20,298,915	\$1,070,127	199,575				21,568,617
Federal sources	163,272	2,527,762	562,421				3,253,455
Surplus food			94,278				94,278
Sales			620,899				620,899
TOTAL REVENUES	<u>138,829,321</u>	<u>3,597,889</u>	<u>1,597,004</u>	<u>341,801</u>	<u>-</u>	<u>205,732</u>	<u>144,571,747</u>
EXPENDITURES							
General support	15,138,193						15,138,193
Instruction	69,567,609	3,627,537		317,501			73,512,647
Pupil transportation	9,576,104	115,873					9,691,977
Community service	839,972						839,972
Employee benefits	28,667,814						28,667,814
Debt service - principal	2,355,603						2,355,603
Debt service - interest	148,212						148,212
Cost of sales			2,042,640				2,042,640
Capital outlay					\$7,157,838		7,157,838
TOTAL EXPENDITURES	<u>126,293,507</u>	<u>3,743,410</u>	<u>2,042,640</u>	<u>317,501</u>	<u>7,157,838</u>	<u>-</u>	<u>139,554,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>12,535,814</u>	<u>(145,521)</u>	<u>(445,636)</u>	<u>24,300</u>	<u>(7,157,838)</u>	<u>205,732</u>	<u>5,016,851</u>
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in		145,521	17,500		4,000,000		4,163,021
Operating transfers (out)	(4,163,021)						(4,163,021)
Leases					589,117		589,117
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,163,021)</u>	<u>145,521</u>	<u>17,500</u>	<u>-</u>	<u>4,589,117</u>	<u>-</u>	<u>589,117.00</u>
NET CHANGE IN FUND BALANCES	<u>8,372,793</u>	<u>-</u>	<u>(428,136)</u>	<u>24,300</u>	<u>(2,568,721)</u>	<u>205,732</u>	<u>5,605,968</u>
FUND BALANCES - BEGINNING 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>
FUND BALANCES - END OF YEAR	<u>\$78,188,268</u>	<u>\$ -</u>	<u>\$47,947</u>	<u>\$726,523</u>	<u>\$36,021,753</u>	<u>\$1,488,061</u>	<u>\$116,472,552</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, 2024**

Net Change in Fund Balances	\$5,605,968
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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.	(1,455,151)
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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.	644,464
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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, 2023 to June 30, 2024 changed by:	(319,525)
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Long-Term Debt Differences

Proceeds from leases are recorded as revenue in the governmental funds but not in the Statement of Activities.	(589,117)
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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.	1,805,000
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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.	168,533
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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.	426,708
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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, 2024 was

	Bond premiums	\$239,607	
	Deferred amounts on refunding	(70,274)	169,333

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, 2023 to June 30, 2024 changed by:	16,727
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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	\$8,201,371	
	Depreciation expense and loss on disposals	(5,256,650)	2,944,721

Capital outlays related to intangible lease 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, 2024 was:

	Intangible lease capital outlays	\$589,117	
	Amortization expense	(169,506)	419,611

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	(\$789,662)	
	Teacher' retirement system	(3,854,165)	
	Total other post-employment benefits obligation	(165,543)	(4,809,370)

Change in Net Position	23	\$5,027,902
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See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<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, 2024**

	<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, 2024**

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 (7) members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The 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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Education Law. All BOCES property is held by the BOCES Board as a corporation (§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.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 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 Financial Statements 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.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

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 other potential contingent liabilities.

I) Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

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.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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, 2024, 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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 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 Statement 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 \$5,039,488 as unavailable revenue in the general fund for tuition charges due from other districts, as well as \$14,222 in the capital projects fund for Smart School Bond Act grant funds. 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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024.

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 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, 2024, collections in advance consisted of \$686,146 in the general fund related to prepaid amounts received for summer 2025 programs, \$1,407 in the special aid fund related to grant advances, and \$112,139 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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

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.

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

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 \$54,372 at June 30, 2024.

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.

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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.

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

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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.

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

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Amounts restricted for scholarships are used to account for monies donated for scholarship and donation 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.

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, 2024.

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.

The school lunch fund has a deficit unassigned fund balance of \$6,425, as a result of the current year’s operating loss in the lunch program.

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 general fund unassigned fund balance is within the statutory limits of the New York State Real Property Tax Law 1318 limit as of June 30, 2024.

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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.

U) Future Accounting Pronouncements:

GASB Statement No. 101, *Compensated Absences*, was issued to better meet the information need of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

This is the Statement that the District feels may have an impact on these financial statements and is not an all-inclusive list of GASB Statements issued. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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 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.

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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 financing of 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 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

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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 other supplemental information – schedule of change from adopted budget to final budget.

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 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

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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, 2024 included \$95,306,175 within the governmental funds for general reserves, amounts restricted for 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.

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, 2024 the District held \$30,568,364 in investments consisting of various investments in securities issued by the United States and its agencies:

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Fund	Bank Balance
General fund	\$7,437,605
Capital reserve	6,070,834
General fund risk retention	9,637,521
Capital projects fund	7,422,404
Total	<u>\$30,568,364</u>

Total investments of the cooperative at June 30, 2024 are \$9,956,707,614 which consisted of \$1,924,275,851 in repurchase agreements and \$8,032,431,763 in U.S. Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2024 are \$1,777,141,575.

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, 2024, the District was billed \$6,397,789 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,287,867. 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, 2024 consisted of the following:

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General Fund	
General aid	\$288,051
Excess cost aid	236,565
Total General fund	<u>524,616</u>
Special Aid Fund	
Federal grants	2,094,424
State grants	729,865
Total Special Aid Fund	<u>2,824,289</u>
School Lunch Fund	
Lunch - federal aid	34,107
Breakfast - federal aid	5,787
Lunch - state aid	25,999
Breakfast - state aid	3,388
Total School Lunch Fund	<u>69,281</u>
Capital Fund	
State aid	14,222
Total Capital Fund	<u>14,222</u>
Total All Funds	<u><u>\$3,432,408</u></u>

The capital projects fund state aid receivable includes \$14,222 of unavailable revenues, which is included in deferred inflows of resources on the balance sheet.

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, 2024 consisted of the following:

BOCES aid	\$998,068
Non-resident and special education tuition	5,553,613
LIPA PILOT	<u>1,604,210</u>
Total Due from other governments	<u><u>\$8,155,891</u></u>

The general fund due from other governments for non-resident tuition and special education tuition includes \$5,039,488 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.

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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 \$13,007 and \$171, respectively, for the fiscal year ended June 30, 2024.

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
2025	\$13,471	\$105	\$13,576
2026	13,743	37	13,780
Total	<u>\$27,214</u>	<u>\$142</u>	<u>\$27,356</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, 2024 were as follows:

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	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	34,361,850	\$6,568,721	(\$3,786,409)	37,144,162
Total capital assets not being depreciated	<u>\$39,521,450</u>	<u>6,568,721</u>	<u>(3,786,409)</u>	<u>42,303,762</u>
Capital assets that are depreciated:				
Buildings & building improvements	110,178,767		3,786,409	113,965,176
Furniture & equipment	6,917,977	506,916	(1,551,240)	5,873,653
Land improvements	4,246,701	1,059,931	-	5,306,632
Vehicles	915,926	65,803	(43,728)	938,001
Total capital assets being depreciated	<u>122,259,371</u>	<u>1,632,650</u>	<u>2,191,441</u>	<u>126,083,462</u>
Less accumulated depreciation:				
Buildings & building improvements	59,146,465	4,296,949		63,443,414
Furniture & equipment	4,994,537	503,105	(1,323,138)	4,174,504
Land improvements	2,200,466	156,784		2,357,250
Vehicles	544,333	71,710	(43,728)	572,315
Total accumulated depreciation	<u>66,885,801</u>	<u>5,028,548</u>	<u>(1,366,866)</u>	<u>70,547,483</u>
Total capital assets being depreciated, net	<u>55,373,570</u>	<u>(3,395,898)</u>	<u>3,558,307</u>	<u>55,535,979</u>
Capital assets, net	<u>\$94,895,020</u>	<u>\$3,172,823</u>	<u>(\$228,102)</u>	<u>\$97,839,741</u>

Depreciation expense and loss on disposals were charged to governmental functions as follows:

General support	\$201,560
Instruction	5,031,755
Transportation	17,922
Community Service	2,829
Food service	2,584
Total	<u>5,256,650</u>

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2024:

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	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets:				
Furniture & equipment	\$ 259,287	\$ 589,117	\$ -	\$ 848,404
Total intangible lease assets being amortized	259,287	589,117	-	848,404
Less accumulated amortization:				
Furniture & equipment	177,796	169,506	-	347,302
Total accumulated amortization	177,796	169,506	-	347,302
Total intangible lease assets, net	\$ 81,491	\$ 419,611	\$ -	\$ 501,102

Amortization expense of \$169,506 was charged to the governmental functions as general support.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$5,662,155	\$26,075,230		\$4,163,021
Special aid fund	1,822,510	5,029,602	\$145,521	
School lunch fund		424,566	17,500	
Miscellaneous special revenue fund	248,106	10,751		
Capital projects fund	24,017,930	657,838	4,000,000	
Debt service fund	447,286			
Totals	<u>\$32,197,987</u>	<u>\$32,197,987</u>	<u>\$4,163,021</u>	<u>\$4,163,021</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 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:

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	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Bonds payable					
Construction serial bonds	\$3,710,000	\$ -	\$1,805,000	\$1,905,000	\$1,905,000
Add: Unamortized bond premiums	243,810		239,607	4,203	4,203
Total Bonds payable	3,953,810	-	2,044,607	1,909,203	1,909,203
Other long-term liabilities:					
Lease liability	81,695	589,117	168,533	502,279	129,786
Energy performance contract debt payable	426,708		426,708	-	
Compensated absences payable	2,665,342	1,670,316	253,781	4,081,877	187,183
Termination benefits payable	379,148	422,160	383,544	417,764	369,759
Workers' compensation claims payable	6,802,565	1,198,254	878,729	7,122,090	
Net pension liability-proportionate share - ERS	7,976,587		2,578,059	5,398,528	
Net pension liability-proportionate share - TRS	5,436,071		2,304,310	3,131,761	
Total other post-employment benefits obligation	109,237,514	28,742,489	3,358,605	134,621,398	3,165,789
Total Long-term Liabilities	<u>\$136,959,440</u>	<u>\$32,622,336</u>	<u>\$12,396,876</u>	<u>\$157,184,900</u>	<u>\$5,761,720</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:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Refunded serial bonds	2017	2025	Various	\$1,905,000
				<u>\$1,905,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$1,905,000	\$47,625	\$1,952,625
Total	<u>\$1,905,000</u>	<u>\$47,625</u>	<u>\$1,952,625</u>

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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 lease agreements for various copiers and other equipment items with interest rates ranging between 0.25% to 0.50%.

Principal and interest expense paid on the District's lease liabilities amounted to \$168,533 and \$1,760, respectively, for the fiscal year ended June 30, 2024.

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
2025	\$ 129,786	\$ 2,214	\$ 132,000
2026	130,436	1,564	132,000
2027	112,269	926	113,195
2028	86,417	451	86,868
2029	43,371	63	43,434
	<u>\$ 502,279</u>	<u>\$ 5,218</u>	<u>\$ 507,497</u>

C) Long-Term Interest:

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

	Total
Interest paid	\$148,212
Plus interest accrued in the current year	15,875
Less interest accrued in the prior year	(32,602)
Plus amortization of deferred amounts on refunding	70,274
Less amortization of premium on obligations	(239,607)
Total expense (credit)	<u>(\$37,848)</u>

D) Premiums on Bonds:

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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 \$239,607 for the fiscal year ending June 30, 2024, and is recorded as a component of interest expense. Unamortized bond premiums remaining at June 30, 2024 amounted to \$4,203 as detailed below.

	2009 Bond	2017 Bond	Total
Deferred premium	\$ 67,948	\$ 1,694,919	\$ 1,762,867
Accumulated amortization	(63,745)	(1,694,919)	(1,758,664)
Balance of deferred premium	<u>\$ 4,203</u>	<u>\$ -</u>	<u>\$ 4,203</u>

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, 2024 consisted of the following:

	2017 Bond
Deferred amount on refunding	\$ 505,974
Accumulated amortization	(505,974)
Balance of deferred amount on refunding	<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 \$70,274 for the fiscal year ending June 30, 2024, and is recorded as a component of interest expense. There were no unamortized deferred amounts on refundings remaining at June 30, 2024.

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.

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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 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

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- 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, 2024 (for applicable tiers) ranged from 11.30% to 17.70% of covered payroll.

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, 2024, was 9.76% 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
2024	\$1,882,535	\$5,115,426
2023	\$1,560,999	\$5,204,536
2022	\$1,866,406	\$4,918,228

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

At June 30, 2024, 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, 2024 for ERS and June 30, 2023 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

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projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	(\$5,398,528)	(\$3,131,761)
District's portion of the Plan's total net pension asset/(liability)	0.0366647%	0.273855%
Change in proportion since the prior measurement date	-0.0005325%	-0.009437%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$2,641,697 for ERS and \$8,967,977 for TRS. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$1,738,862	\$7,593,688	\$147,204	\$18,767
Changes of assumptions	2,041,062	6,742,589		1,469,510
Net difference between projected and actual earnings on pension plan investments		1,600,894	2,637,152	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	622,759	849,493	70,388	190,415
District's contributions subsequent to the measurement date	<u>595,259</u>	<u>5,115,426</u>	<u>2,854,744</u>	<u>\$1,678,692</u>
	<u>\$4,997,942</u>	<u>\$21,902,090</u>	<u>\$2,854,744</u>	<u>\$1,678,692</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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2024	\$ -	\$1,363,913
2025	(746,431)	(1,478,787)
2026	1,200,475	12,740,302
2027	1,638,537	1,086,082
2028	(544,642)	874,350
Thereafter	-	522,112
	<u>\$1,547,939</u>	<u>\$15,107,972</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:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
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
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 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, 2023 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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

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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:

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2024		June 30, 2023	
<u>Asset type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.6%
Global equity			4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real estate	9%	4.60%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.2%
Global bonds			2%	1.6%
High-yield bonds			1%	4.4%
Private debt			2%	6.0%
Real estate debt			6%	3.2%
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 2.90% for ERS, and 2.40% for TRS.

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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:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	<u>(\$16,973,523)</u>	<u>(\$5,398,528)</u>	<u>\$4,268,994</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>(\$47,698,315)</u>	<u>(\$3,131,761)</u>	<u>\$34,350,637</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:

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	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,122)
Plan Fiduciary Net Position	225,972,801	137,221,537
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	99.17%

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, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$595,259.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 amounted to \$5,751,882.

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, 2024, totaled \$383,794 and \$3,247,304, 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, 2024 totaled \$408,529.

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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, 2024, the District contributed an estimated \$3,358,605 to the Plan, including \$3,358,605 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.

Employees Covered by Benefit Terms

At July 1, 2023, the date of the last full valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	359
Active employees	636
Total	<u>995</u>

B) Total OPEB Liability:

The District’s total OPEB liability of \$134,621,398 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 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	4.09%
Healthcare cost trend rates	7.00% for 2025, decreasing by 0.25% per year to an ultimate rate of 4.50% by 2035
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. 74/75 using an average of two 20-year municipal bond indices (S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2024.

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, 2024 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where 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:

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Balance at June 30, 2023	\$109,237,514
Changes for the fiscal year:	
Service cost	4,074,316
Interest	4,399,131
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	20,269,042
Benefit payments	(3,358,605)
Net changes	<u>25,383,884</u>
Balance at June 30, 2024	<u><u>\$134,621,398</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include a change in the discount rate from 4.00% to 4.09%.

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 (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	<u>\$161,362,915</u>	<u>\$134,621,398</u>	<u>\$113,920,198</u>

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	<u>\$111,198,588</u>	<u>\$134,621,398</u>	<u>\$165,824,152</u>

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense (credit) of \$3,524,148. At June 30, 2024, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	24,698,738	42,580,454
	<u>\$ 24,698,738</u>	<u>\$ 42,580,454</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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2025	\$ (4,949,299)
2026	(4,987,266)
2027	(5,861,307)
2028	(7,657,397)
2029	1,792,711
Thereafter	3,780,842
	<u>\$ (17,881,716)</u>

NOTE 16 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2024 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2025:

Retirement contribution	
Employees' retirement system	\$ 592,957
Workers' compensation	\$ 500,000
Debt service	1,486,971
	<u>\$ 2,579,928</u>

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NOTE 17 – RESTRICTED FOR CAPITAL RESERVE

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

Title	<u>Capital Reserve</u>		
	Long Range Building Improvement Fund	Long Range Building Improvement Fund	
Date Created	May 16, 2017	May 21, 2024	
Number of Years to Fund	10	10	
Maximum Annual Funding	\$10,000,000	\$10,000,000	
Maximum Funding	\$40,000,000	\$40,000,000	

General Fund			<u>Totals</u>
Funding Provided	\$ 40,000,000	\$ 10,000,000	\$ 50,000,000
Interest Earnings	564,423	-	564,423
Use of Reserve	(36,984,455)	-	(36,984,455)
Total General Fund	<u>3,579,968</u>	<u>10,000,000</u>	<u>13,579,968</u>
Capital Projects Fund			
Funding Provided	36,984,455	-	36,984,455
Use of Reserve	(14,985,842)	-	(14,985,842)
Total Capital Projects Fund	<u>21,998,613</u>	<u>-</u>	<u>21,998,613</u>
Balance as of June 30, 2024	<u>\$ 25,578,581</u>	<u>\$ 10,000,000</u>	<u>\$ 35,578,581</u>

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.

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.

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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, 2024. As of June 30, 2024, the District has recorded potential workers' compensation claims (losses incurred but not paid) and incurred but not reported claims for a total liability of \$7,122,090. This total liability is calculated using a 3.00% discount rate. The District has a workers' compensation reserve balance of \$4,349,209 as of June 30, 2024. Claims activity is summarized below:

	2024	2023
Unpaid claims at the beginning of the year	\$6,802,565	\$6,632,675
Claims incurred and claim adjustment expenses	1,198,254	665,696
Claims paid	(878,729)	(495,806)
Unpaid claims at the end of the year	<u>\$7,122,090</u>	<u>\$6,802,565</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, 2024 is \$417,764, the amount recorded as a long term-term liability on the Statement of Net Position.

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, 2024 is \$1,123,550. Teachers may be eligible for payment of a portion on unused sick and vacation days upon retirement. The projected long-term liability at June 30, 2024 is \$1,202,425. Custodial and Information Technology ("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, 2024 is \$1,144,957. 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, 2024 is \$263,170 and \$347,775, respectively. The current value of total compensated

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

absences earned at June 30, 2024 is \$4,081,877. At June 30, 2024 the District has an employee benefits accrued liability reserve in the amount of \$1,445,630 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 \$28,772 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$28,772 for these programs during the fiscal year.

The District also received PILOT payments from the County related to the Long Island Power Authority in the amount of \$2,732,694. 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, 2024, 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, 2024, the District encumbered the following amounts in the general fund:

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

General support	\$494,589
Instruction	772,767
Pupil transportation	67,356
Community services	12,886
Employee benefits	65,285
	<u>\$1,412,883</u>

NOTE 20 – 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 October 7, 2024, 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, 2024**

	<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	\$108,577,500	\$104,592,255	\$104,917,716	\$325,461
Other real property tax items	2,567,839	6,553,084	6,746,711	193,627
Charges for services	1,307,500	1,307,500	1,232,031	(75,469)
Use of money and property	350,400	350,400	4,576,020	4,225,620
Sale of property and compensation for loss	-	-	28,003	28,003
Miscellaneous	867,500	867,500	866,653	(847)
State Sources				
Basic formula	13,103,077	13,199,585	11,596,941	(1,602,644)
Lottery aid	2,875,000	2,798,125	3,880,507	1,082,382
Excess cost aid	1,500,000	1,500,000	1,939,107	439,107
BOCES aid	1,889,000	1,889,000	2,287,867	398,867
Textbook aid	300,000	298,532	298,532	-
Computer hardware and software aid	110,000	95,510	95,510	-
Library A/V loan program aid	30,000	26,325	26,325	-
Other state aid	180,000	180,000	174,126	(5,874)
Federal Sources	150,000	150,000	163,272	13,272
TOTAL REVENUES	<u>133,807,816</u>	<u>133,807,816</u>	<u>\$138,829,321</u>	<u>\$5,021,505</u>
Appropriated reserves	<u>2,602,048</u>	<u>3,192,928</u>		
TOTAL REVENUES, APPROPRIATED FUND BALANCE, AND RESERVES	<u>\$136,409,864</u>	<u>\$137,000,744</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, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	\$150,454	\$140,398	\$125,754	\$100	\$14,544
Central administration	565,796	656,910	645,382	1,400	10,128
Finance	1,327,056	1,374,484	1,330,760	5,084	38,640
Staff	1,418,084	1,608,564	1,575,473	3,957	29,134
Central services	11,166,089	11,146,627	9,959,373	479,623	707,631
Special items	1,092,430	1,506,268	1,501,451	4,425	392
Total general support	15,719,909	16,433,251	15,138,193	494,589	800,469
Instruction					
Instruction, adm. & imp.	4,725,917	4,741,804	4,570,171	6,943	164,690
Teaching - regular school	36,356,311	33,357,541	32,416,958	28,357	912,226
Programs for children with handicapping conditions	19,158,053	20,217,286	18,900,803	282,837	1,033,646
Occupational education	446,275	346,275	346,275		-
Teaching special schools	453,980	529,939	472,376	8,745	48,818
Instructional media	4,927,421	4,842,836	4,652,288	26,272	164,276
Pupil services	7,579,332	8,878,413	8,208,738	419,613	250,062
Total instruction	73,647,289	72,914,094	69,567,609	772,767	2,573,718
Pupil transportation	9,965,814	9,962,116	9,576,104	67,356	318,656
Community services	828,481	942,051	839,972	12,886	89,193
Employee benefits	29,589,237	30,053,807	28,667,814	65,285	1,320,708
Debt service					
Debt service principal	2,224,181	2,355,603	2,355,603		-
Debt service interest	246,453	151,322	148,212		3,110
Total debt service	2,470,634	2,506,925	2,503,815	-	3,110
TOTAL EXPENDITURES	132,221,364	132,812,244	126,293,507	1,412,883	5,105,854
Other Financing Uses					
Transfers to other funds	4,188,500	4,188,500	4,163,021		25,479
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$136,409,864	\$137,000,744	130,456,528	\$1,412,883	\$5,131,333
Net change in fund balances			8,372,793		
Fund balances - beginning of year			69,815,475		
Fund balances - end of year			\$78,188,268		

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.0366647%	0.0371972%	0.0381148%	0.0363853%	0.0358998%	0.0364919%	0.0340386%	0.0342011%	0.0346443%	0.0326267%
District's proportionate share of the net pension asset/(liability)	(\$5,398,528)	(\$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)
District's covered payroll	14,852,419	\$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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	36.35%	60.89%	23.74%	0.28%	74.83%	21.03%	9.10%	27.11%	49.89%	10.07%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
	NYSTRS Pension Plan									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.273855%	0.283292%	0.291904%	0.285375%	0.286875%	0.286892%	0.281669%	0.281399%	0.278310%	0.276311%
District's proportionate share of the net pension asset/(liability)	(\$3,131,761)	(\$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
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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.10%	10.60%	99.99%	15.88%	15.23%	10.89%	4.72%	6.94%	68.66%	75.15%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Note to Required Supplementary Information

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

**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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$1,882,535	\$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
Contributions in relation to the contractually required contribution	<u>\$1,882,535</u>	<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>
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	\$15,961,401	\$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
Contributions as a percentage of covered payroll	11.79%	11.84%	14.40%	14.28%	13.73%	14.30%	14.37%	13.82%	17.25%	17.13%
NYSTRS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$5,115,426	\$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
Contributions in relation to the contractually required contribution	<u>5,115,426</u>	<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>
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	\$53,092,898	\$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
Contributions as a percentage of covered payroll	9.63%	10.13%	9.59%	9.33%	8.64%	10.39%	9.58%	11.54%	13.22%	17.41%

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

YEARS ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$4,074,316	\$2,579,702	\$2,697,033	\$4,660,635	\$4,017,170	\$1,842,753	\$1,789,081
Interest	4,399,131	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	20,269,042	(4,497,039)	(68,649,964)	13,092,242	5,739,875	-	-
Benefit payments	<u>(3,358,605)</u>	<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	25,383,884	(557,950)	(62,385,296)	18,100,305	10,397,219	3,885,857	3,708,853
Total OPEB liability - beginning	<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>	<u>136,088,526</u>
Total OPEB liability - ending	<u><u>134,621,398</u></u>	<u><u>109,237,514</u></u>	<u><u>\$109,795,464</u></u>	<u><u>\$172,180,760</u></u>	<u><u>\$154,080,455</u></u>	<u><u>\$143,683,236</u></u>	<u><u>\$139,797,379</u></u>
Covered-employee payroll	\$60,536,647	\$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	222.38%	197.66%	198.67%	302.30%	270.52%	249.07%	242.34%
Discount rate	4.09%	4.00%	3.77%	2.09%	2.44%	3.50%	3.50%

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

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

**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, 2024**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$135,017,834
Add: Prior year's encumbrances		<u>1,392,030</u>
Original Budget		<u>136,409,864</u>
Budget Revisions:		
Appropriation of repair reserve	\$242,538	
Appropriation of liability reserve	<u>348,342</u>	<u>590,880</u>
Total Budget Revisions		
Final Budget		<u><u>\$137,000,744</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	<u><u>\$138,494,692</u></u>
Maximum allowed (4% of 2024-2025 budget)	<u><u>\$5,539,788</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	1,412,883
Unassigned fund balance	<u>5,539,788</u>
Total unrestricted fund balance	<u>6,952,671</u>
Less:	
Encumbrances included in assigned fund balance	<u>1,412,883</u>
Total adjustments	<u>1,412,883</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$5,539,788</u></u>
Actual percentage of 2024-2025 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, 2024**

Project Title	Revised Appropriation	Expenditures and Obligations to Date			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
		Prior Year's	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
FECC Cupola & Gutter Repair	\$ 1,977,819	\$ 1,009,252	\$ 105,016	\$ 1,114,268	\$ 863,551	\$ -	\$ -	\$ 1,977,819	\$ 1,977,819	\$ 863,551
FECC Repointing & Masonry	906,699	15,148	436,150	451,298	455,401			906,699	906,699	455,401
HES Ext Column Repl + R&M	647,079	0	13,907	13,907	633,172			647,079	647,079	633,172
OES Repointing & Masonry	1,167,469	14,700	-	14,700	1,152,769			1,167,469	1,167,469	1,152,769
HHS Sci Lab Gas Lines	9,179,500	-	618,987	618,987	8,560,513			9,179,500	9,179,500	8,560,513
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 Bldg	636,000	33,067	11,002	44,069	591,931			636,000	636,000	591,931
WMS Asphalt Repairs	628,312	-	-	-	628,312			628,312	628,312	628,312
HHS Window Replacement	3,015,185	2,991,434	23,751	3,015,185	-			3,015,185	3,015,185	-
HHS Asphalt Repairs	96,246	-	-	-	96,246			96,246	96,246	96,246
FECC Bathroom Renovation	771,224	24,721	746,503	771,224	-			771,224	771,224	-
HHS Multi-Phase HVAC Project	16,281,974	14,886,630	33,470	14,920,100	1,361,874			16,281,974	16,281,974	1,361,874
WMS Field/Pking Lot/sitework/bath	2,025,000	1,763,132	-	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
WEC Repoint & Masonry	200,850	200,405	178	200,583	267			200,850	200,850	267
HES Pool Piping Repairs	788,000	56,819	551,923	608,742	179,258			788,000	788,000	179,258
Dist Wide Fence Replacement	450,000	26,219	86,037	112,256	337,744			450,000	450,000	337,744
Dist Wide Carpet/ Floor Tile	138,290	62,786	65,354	128,140	10,150			138,290	138,290	10,150
Dist Wide Blueprint Digit	123,848	-	-	-	123,848			123,848	123,848	123,848
HHS Pool Natatorium	67,505	-	-	-	67,505	49,218		18,287	67,505	67,505
WEC Pkinglot/Sitework	1,029,971	26,435	1,003,536	1,029,971	-			1,029,971	1,029,971	-
HES Slate Roof	3,371,486	1,975,453	12,685	1,988,138	1,383,348			3,371,486	3,371,486	1,383,348
HHS LC Roof	2,273,000	1,577,774	-	1,577,774	695,226			2,273,000	2,273,000	695,226
WMS Elevator Renovation	325,000	193,800	-	193,800	131,200			325,000	325,000	131,200
District Wide Intrusion Alarm Syste	75,000	49,363	-	49,363	25,637			75,000	75,000	25,637
District Wide CCTV & Lighting Up	1,152,387	316,751	265,534	582,285	570,102			1,152,387	1,152,387	570,102
WEC Fire Escape & Windows	274,150	230,140	36	230,176	43,974			274,150	274,150	43,974
FECC HVAC Gym #2	463,610	23,807	375,497	399,304	64,306			463,610	463,610	64,306
HHS HVAC Fac Lg Phase 2	128	128	-	128	-			128	128	-
WMS Bldg wide Surge Prot	600,000	2,542	-	2,542	597,458			600,000	600,000	597,458
HHS Boiler, Fields, Lockers	2,650,000	97,562	1,862,586	1,960,148	689,852			2,650,000	2,650,000	689,852
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	3,509	22,093	277,907			300,000	300,000	277,907
FECC Elevator Renovation	360,000	19,009	5,100	24,109	335,891			360,000	360,000	335,891
WEC ADA Toilet Renovation	750,000	16,950	12,730	29,680	720,320			750,000	750,000	720,320
HHS Auditorium Renovation	6,191,092	-	165,105	165,105	6,025,987			6,191,092	6,191,092	6,025,987
WMS Sci Lab Renov/ Athletic Field	1,955,765	-	102,846	102,846	1,852,919			1,955,765	1,955,765	1,852,919
WEC Wireless clock & PA system	275,000	-	-	-	275,000			275,000	275,000	275,000
Dist Wide Windows	150,000	-	-	-	150,000			150,000	150,000	150,000
Dist Wide Plumbing	368,362	-	-	-	368,362			368,362	368,362	368,362
HHS Auditorium Roof	1,017,267	-	25,522	25,522	991,745			1,017,267	1,017,267	991,745
Dist Wide Sitework	582,800	-	27,535	27,535	555,265			582,800	582,800	555,265
Dist Wide Technology	250,000	-	-	-	250,000			250,000	250,000	250,000
Dist Wide Security	150,000	-	-	-	150,000			150,000	150,000	150,000
FECC Reconstruct Café Kiitchen	23,387	-	-	-	23,387			23,387	23,387	23,387
FECC Bathroom Renov	1,717,958	-	-	-	1,717,958			1,717,958	1,717,958	1,717,958
SSBA Project	392,658	428,306	14,222	442,528	(49,870)		392,658	392,658	392,658	(49,870) *
Leases	589,117	-	589,117	589,117	-	589,117		-	-	-
TOTAL	\$ 73,751,006	\$ 30,571,415	\$ 7,157,838	\$ 37,729,253	\$ 36,021,753	\$ 49,218	\$392,658	\$72,720,013	\$73,161,889	\$ 36,021,753

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

**HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2024**

Capital assets, net			\$97,839,741
Intangible lease assets, net			501,102
Deduct:			
Capital projects fund accounts payable			535,429
Short-term portion of bonds payable (inclusive of unamortized premiums)	\$1,909,203		
Less: Unspent bond proceeds	<u>(49,218)</u>		1,859,985
Short-term portion of lease liability	\$129,786		
Long-term portion of lease liability	<u>372,493</u>	<u>502,279</u>	
Net investment in capital assets			<u><u>\$95,443,150</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, 2024, 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 7, 2024.

Report on Internal Control over Financial Reporting

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

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

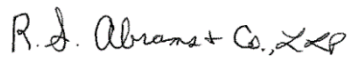
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, flowing style.

R.S. Abrams & Co., LLP
Islandia, New York
October 7, 2024