

WESTBURY UNION FREE SCHOOL DISTRICT

**Financial Statements
As of and for the Year Ended June 30, 2021
Together with
Independent Auditors' Reports**

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Westbury Union Free School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Westbury Union Free School District (the District), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on the financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Westbury Union Free School District as of June 30, 2021, 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.

Other Matters

As discussed in note 22 to the financial statements, the District restated fund balance and net position to correct accounts payable and to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84 - "Fiduciary Activities," during the year ended June 30, 2021. Our opinions are not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the additional information on pages 60 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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 December 13, 2021, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
December 13, 2021

WESTBURY UNION FREE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The Westbury Union Free School District's (the District) discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

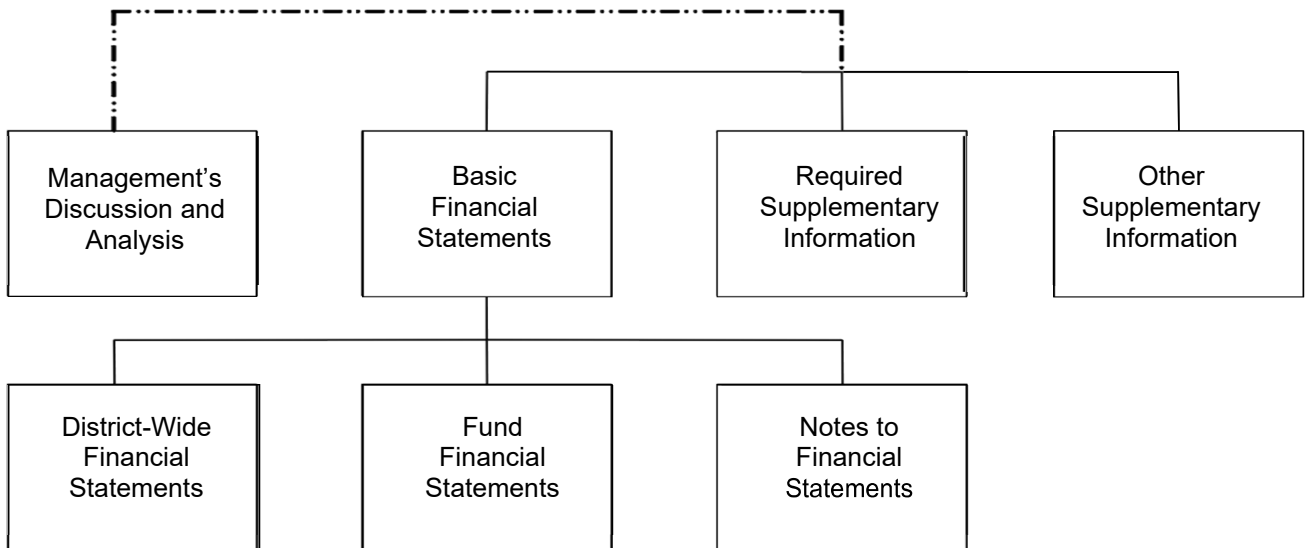
Key financial highlights for fiscal year 2021, are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by \$25,679,158 to a deficit of \$164,533,867 based on the accrual basis of accounting. This decrease in net position is primarily the result of other postemployment benefits (OPEB) expense of \$20,428,709 and net pension liability proportionate share expense of \$5,906,391, offset by decreases due to the repayments of principal related to bonds and the energy performance contract debt.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$178,966,279. Of this amount, \$1,373,386 was offset by program charges for services and \$9,830,878 was offset by operating and capital grants. General revenues of \$142,082,857 amount to 92.7% of total revenues.
- State aid revenue reflected in the district-wide financial statements decreased by \$3,923,755 to \$54,367,181 in 2021 from \$58,290,936 in 2020.
- The governmental fund's total fund balance, as reflected in the fund financial statements on pages 19 and 21, increased by \$46,519,088 to \$75,129,894. This was primarily due to an excess of revenues over expenditures and other financing uses based on the modified accrual basis of accounting resulting from other sources relating to the proceeds of bonds and related premiums.
- On May 18, 2021, the District's voters approved the 2021-22 proposed operating budget of \$168,777,798. The 2021-2022 property tax levy of \$82,218,241 was a decrease of .5%.
- On May 21, 2019, the District's voters approved the establishment of a Capital Reserve Fund known as "Facilities Maintenance and Improvement Program 2019" for the purpose of district-wide improvements. The maximum amount of this capital reserve shall be \$25,000,000, plus investment income. The probable term is to be 10 years with annual amounts of not to exceed \$2,500,000 for each of the remaining years of the probable term. As of June 30, 2021, the District has funded \$7,500,000 to this reserve, and has earned interest of \$43,417.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management's Discussion & Analysis (MD&A) (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:

2. OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)



A. District-wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

B. FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds.

2. OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period in which the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, claims and judgments, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent the related liabilities mature each period.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

These schedules further explain and support the financial statements with a comparison of the District's budget for the year, a detailed capital project schedule, and other financial information.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$25,679,158 between fiscal year 2021 and 2020. A summary of the District's Statement of Net Position for June 30, 2021 and 2020 is as follows:

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current and other assets	\$ 88,712,751	\$ 99,167,348	\$ (10,454,597)	-10.54%
Noncurrent assets	<u>73,722,248</u>	<u>71,592,161</u>	<u>2,130,087</u>	2.98%
Total assets	<u>162,434,999</u>	<u>170,759,509</u>	<u>(8,324,510)</u>	-4.87%
Deferred Outflows of Resources	<u>133,402,974</u>	<u>105,848,790</u>	<u>27,554,184</u>	26.03%
Liabilities:				
Current liabilities	15,914,735	69,932,484	(54,017,749)	-77.24%
Long-term liabilities	<u>372,380,047</u>	<u>315,884,747</u>	<u>56,495,300</u>	17.88%
Total liabilities	<u>388,294,782</u>	<u>385,817,231</u>	<u>2,477,551</u>	0.64%
Deferred Inflows of Resources	<u>72,077,058</u>	<u>29,645,777</u>	<u>42,431,281</u>	143.13%
Net position:				
Net investment in capital assets	32,216,374	31,997,956	218,418	0.68%
Restricted	53,278,734	29,250,729	24,028,005	82.14%
Unrestricted	<u>(250,028,975)</u>	<u>(200,103,394)</u>	<u>(49,925,581)</u>	24.95%
Total net position	<u>\$ (164,533,867)</u>	<u>\$ (138,854,709)</u>	<u>\$ (25,679,158)</u>	18.49%

Current and other assets decreased by \$10,454,597, as compared to the prior year, which is primarily due to increases in the District's cash and overall receivables.

Capital assets (net of depreciation) increased by \$10,890,978, as compared to the prior year. This increase is due to capital additions exceeding depreciation expense.

Net pension asset –proportionate share provided by the Teachers' Retirement System decreased by \$8,760,891, based on the updated actuarial valuation, as compared to the prior year.

Deferred outflows of resources represent contributions to the state retirement plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

Current and other liabilities decreased by \$54,017,749, as compared to the prior year. This decrease is primarily due to the paydown of the short-term BAN payable of \$53,949,000.

Long-term liabilities increased by \$56,495,300, as compared to the prior year. This increase is primarily the result of the conversion of the short-term BAN payable to long-term debt.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A. Net Position (Continued)

Deferred inflows of resources increased by \$42,431,281, primarily due to actuarial adjustments for the retirement systems and OPEB plans.

The net investment in capital assets is the total cost of all asset acquisitions, net of accumulated depreciation and related outstanding debt. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations. The accompanying Notes to Financial Statements, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount at June 30, 2021, of \$53,278,734 is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. See Note 1 to the Notes to Financial Statements for further descriptions.

The unrestricted (deficit) increased by \$53,028,774 during the year to a deficit position of \$253,132,168. The District's assets are not sufficient to cover unfunded liabilities such as the net other postemployment benefits obligation.

B. Changes in net position

Table A-4 Changes in Net Position from Operating Results

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements other real property tax items and STAR (school tax relief) revenue is a separate line item. However, in this MD&A, they have been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenue				
Program revenue:				
Charges for services	\$ 1,373,386	\$ 966,122	\$ 407,264	42.15%
Operating grants	9,830,878	9,972,245	(141,367)	-1.42%
Capital grants and contributions	-	160,079	(160,079)	-100.00%
General revenue:				
Property and other tax items and STAR	86,062,320	83,465,343	2,596,977	3.11%
State sources	54,367,181	58,290,936	(3,923,755)	-6.73%
Other	1,653,356	3,161,779	(1,508,423)	-47.71%
Total revenue	<u>153,287,121</u>	<u>156,016,504</u>	<u>(2,729,383)</u>	-1.75%
Expenses				
General support	18,880,523	16,170,590	2,709,933	16.76%
Instruction	146,759,484	147,637,241	(877,757)	-0.59%
Pupil transportation	9,716,646	9,240,641	476,005	5.15%
Community service	82,443	98,514	(16,071)	-16.31%
Debt service - Interest	1,023,229	773,497	249,732	32.29%
School lunch program	2,503,954	3,268,228	(764,274)	-23.38%
Total expenses	<u>178,966,279</u>	<u>177,188,711</u>	<u>1,777,568</u>	1.00%
Change in Net Position	<u><u>\$(25,679,158)</u></u>	<u><u>\$(21,172,207)</u></u>	<u><u>\$ (4,506,951)</u></u>	21.29%

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

B. Changes in net position (Continued)

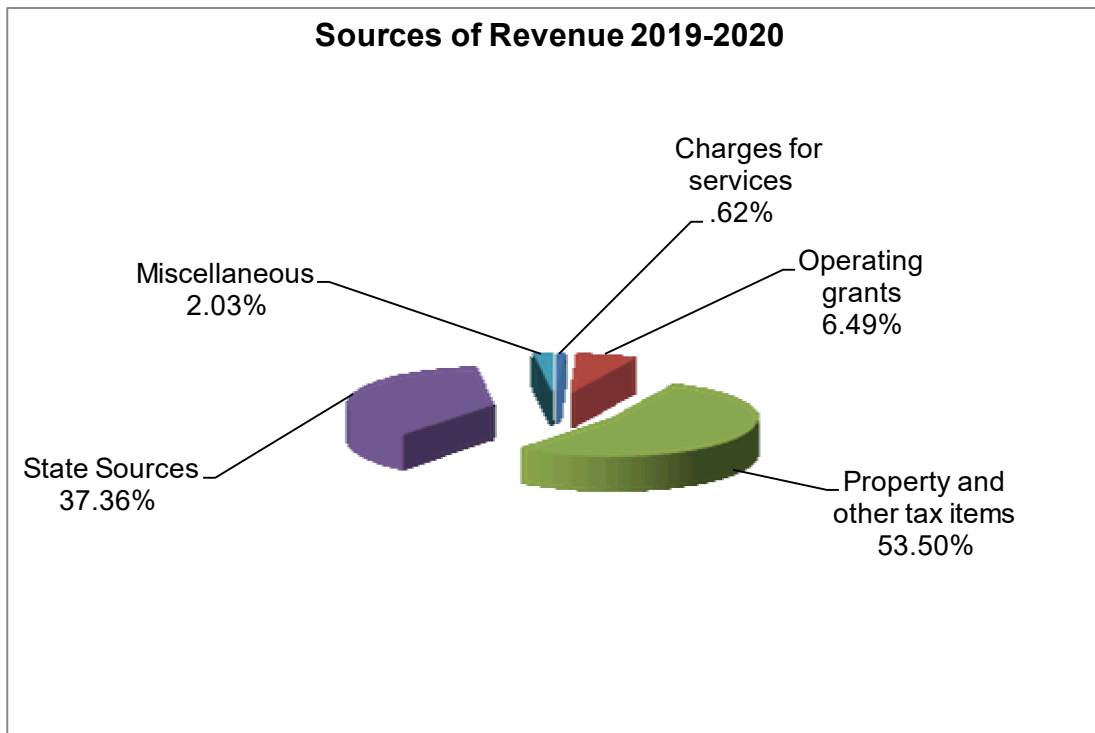
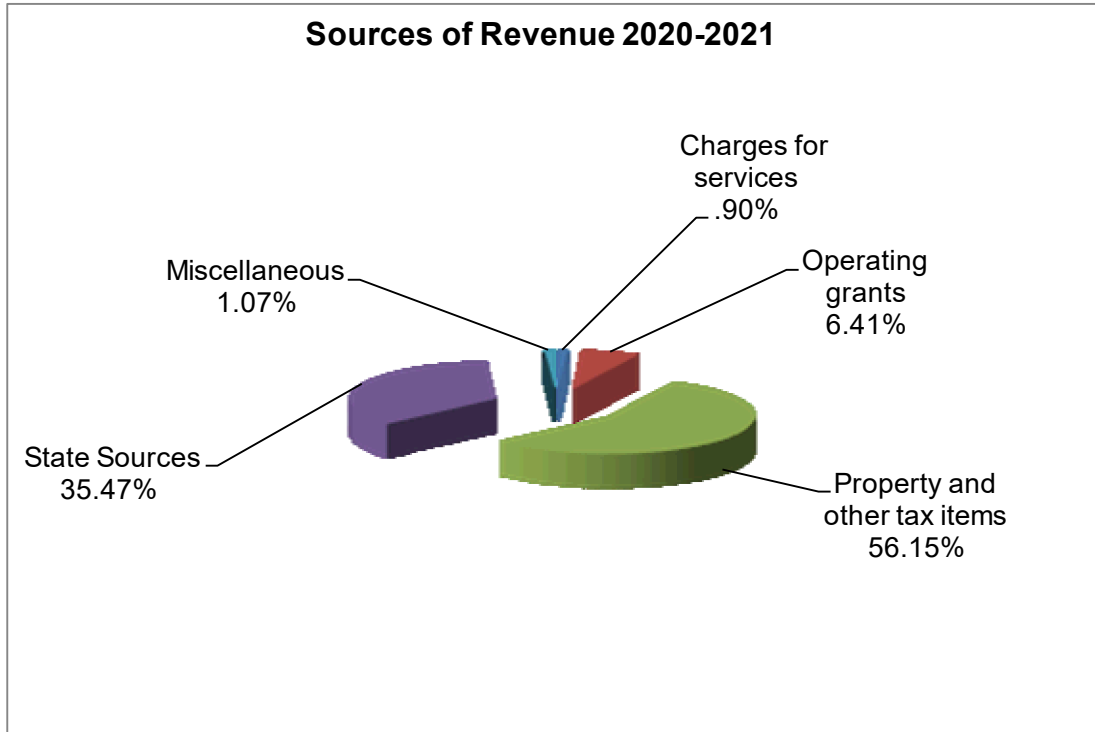
The District's revenues decreased by \$2,729,383 in 2021 or 1.75%. The major factors that contributed to the decrease were:

- Property Tax Items, Other Tax Items and STAR increased by \$2,596,977 based on the increase in the tax levy and PILOT agreements.
- State sources decreased by \$3,923,755, as a result of the District receiving reductions in state aid.
- The District's other revenues decreased by \$1,508,423 primarily due to decreases in use of money and property, sales of property and compensation for loss and miscellaneous revenues.

The District's expenses for the year increased by \$1,777,568 or 1.00%. This increase was primarily due to the impact of the net change in the actuarially determined pension expenses for TRS and ERS, as well as the increase in other postemployment benefit costs allocated.

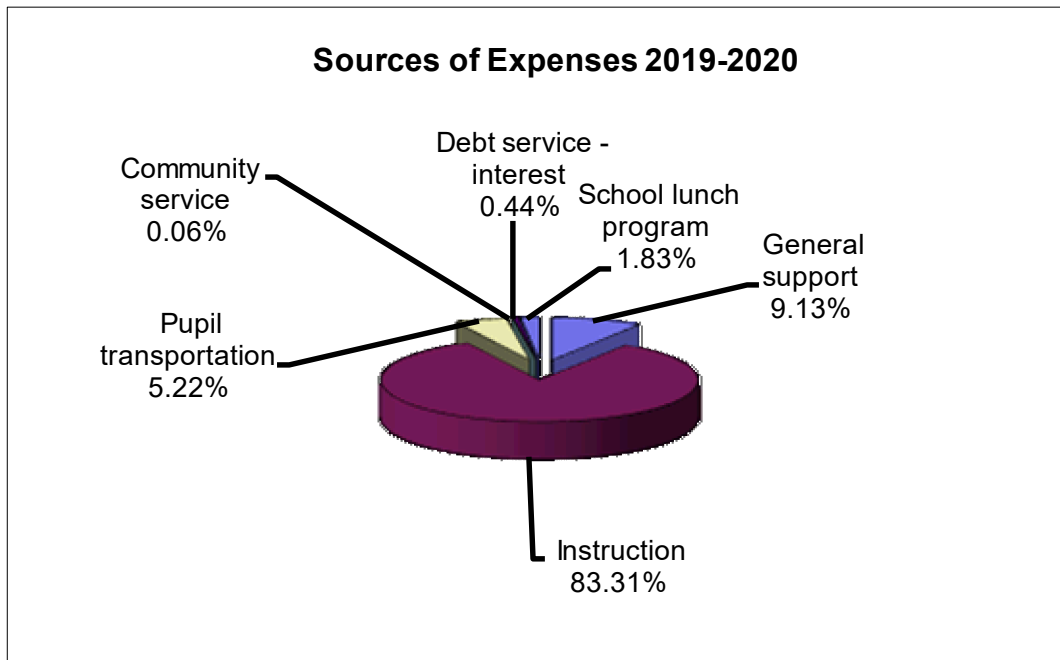
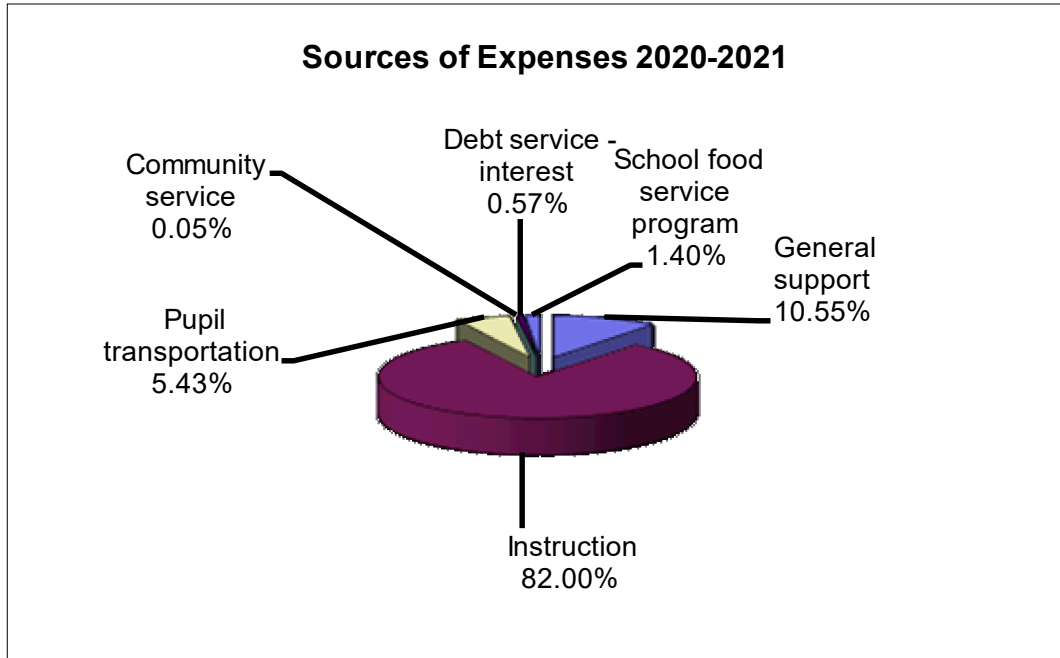
3. FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-5



3. FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-6



4. FINANCIAL ANALYSIS OF THE DISTRICT FUND BALANCES

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of \$75,129,894, which is an increase of \$46,519,088 from the prior year.

A summary of the change in fund balance for all funds as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
General Fund				
Restricted				
Workers' Compensation	4,109,104	\$ 3,804,874	\$ 304,230	8.00%
Unemployment insurance	431,159	330,791	100,368	30.34%
Employee Benefit Accrued Liability	9,265,624	9,455,113	(189,489)	-2.00%
Retirement Contribution				
ERS	7,286,326	6,778,790	507,536	7.49%
TRS	2,819,215	2,316,640	502,575	21.69%
Insurance	450,428	449,928	500	0.11%
Repairs	21,316	21,292	24	0.11%
Property Loss	450,449	449,949	500	0.11%
Liability	438,832	438,345	487	0.11%
Capital	6,166,617	5,037,817	1,128,800	22.41%
Other	14,170	-	14,170	100.00%
Total Restricted	<u>31,453,240</u>	<u>29,083,539</u>	<u>2,369,701</u>	8.15%
Assigned				
Encumbrances	237,656	691,001	(453,345)	-65.61%
Designated for subsequent year's expenditures	10,685,081	10,800,000	(114,919)	-1.06%
Total Assigned	<u>10,922,737</u>	<u>11,491,001</u>	<u>(568,264)</u>	
Unassigned	<u>7,327,092</u>	<u>9,847,009</u>	<u>(2,519,917)</u>	-25.59%
Total General Fund balance	<u>49,703,069</u>	<u>50,421,549</u>	<u>(718,480)</u>	-1.42%
School Food Service Fund				
Non-spendable - inventory	-	15,758	(15,758)	-100.00%
Assigned - unappropriated	3,601,331	2,989,943	611,388	20.45%
Total School Food Service Fund balance	<u>3,601,331</u>	<u>3,005,701</u>	<u>595,630</u>	19.82%
Miscellaneous Revenue Fund				
Restricted	<u>63,188</u>	<u>52,658</u>	<u>10,530</u>	20.00%
Debt Service Fund				
Restricted	<u>167,190</u>	<u>167,190</u>	<u>-</u>	0.00%
Capital Projects Fund				
Restricted	21,595,116	105,628	21,489,488	20344.50%
Unassigned (Deficit)	-	(25,141,920)	25,141,920	-100.00%
Total Capital Fund balance	<u>21,595,116</u>	<u>(25,036,292)</u>	<u>46,631,408</u>	-186.26%
Total Governmental Activities Fund balance	<u>\$ 75,129,894</u>	<u>\$ 28,610,806</u>	<u>\$ 46,519,088</u>	162.59%

4. FINANCIAL ANALYSIS OF THE DISTRICT FUND BALANCES (Continued)

The general fund's restricted fund balances increased by \$2,369,701, primarily as a result of the funding of the District's reserve funds authorized by the Board of Education. Assigned fund balance includes encumbrances and an amount designated for the 2021-2022 fiscal year's expenditures. Total assigned fund balance decreased by \$568,264 primarily based on a decrease in the amount of outstanding encumbrances at year end.

The general fund's unassigned fund balance decreased by \$2,519,917 to \$7,327,092. This is primarily the result of the general fund expenditures exceeding revenues and other financing uses during the year.

The net change in the school food service fund – fund balance is an increase of \$595,630, which represents the fund's operating surplus for the year ended June 30, 2021.

The capital projects fund – fund balance increased by \$46,631,408. This increase is a result of capital project revenues and other sources in the current year exceeding capital project expenditures and other uses as a result of the District obtaining permanent financing.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the year ended June 30, 2021 was \$157,064,147. This amount was increased by encumbrances carried forward from the prior year in the amount of \$691,001 and a budget revision of \$33,548 resulting in a final budget of \$157,788,696.

The budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$82,677,609 in estimated property taxes and STAR, and \$54,128,599 in State aid.

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

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments, appropriations to fund the subsequent year's budget and encumbrances. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 9,498,437
Revenues Over Budget	974,757
Expenditures and Encumbrances under Budget	12,360,116
Change in Restricted Funds	(3,621,137)
Appropriated Reserves Not Used	(1,200,000)
Appropriated for June 30, 2022 Budget	<u>(10,685,081)</u>
Closing, Unassigned Fund Balance	<u>\$ 7,327,092</u>

5. GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Opening, Unassigned Fund Balance

The \$9,498,437 shown in the table is the portion of the District's June 30, 2020, fund balance that was retained as unassigned. This was 6.05% of the District's 2020-2021 approved operating budget, which exceeded the maximum 4.0% unassigned fund balance permitted by New York State Real Property Tax Law §1318.

Revenues Over Budget

The 2020-2021 final budget for revenues was \$143,497,687. The actual revenues recognized for the year were \$144,472,444. The actual revenue over estimated or budgeted revenue was \$974,757.

This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2020 to June 30, 2021.

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures, including prior year encumbrances was \$157,788,696. The actual expenditures and encumbrances were \$145,190,924. The final budget was under expended by \$12,360,116. This under expenditure was primarily in the areas of central services, instruction, and employee benefits. The variance also contributes to the change to the unassigned portion of the general fund balance from June 30, 2020 to June 30, 2021.

Change in Restricted Funds

Monies transferred into restricted reserves, including accrued interest earnings, reduce the District's discretion regarding the use of these monies and thus, reduce the unassigned fund balance.

Appropriated Reserves Not Used

The District chose to appropriate \$1,300,000 from the Retirement Contribution Reserve, \$1,100,000 from the Teachers retirement reserve, \$100,000 from the Employee Benefit Accrued Liability Reserve, and \$300,000 from the Workers' Compensation Reserve to partially fund its 2020-2021 budget. Actual expenditures were lower than budgeted; as a result, the District did not need to use \$1,200,000 of the budgeted appropriated reserves to fund expenditures. The unused amounts were retained in the reserves and have the effect of reducing unassigned fund balance.

Appropriated for June 30, 2022 Budget

The District has chosen to use \$10,685,081 of its available June 30, 2021 fund balance to partially fund its 2021-2022 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of \$7,327,092. This is a decrease of \$2,171,395 over the unassigned fund balance from the prior year as of June 30, 2020. The unassigned portion is 4.34% of the 2021-2022 budget, which exceeds the maximum 4.0% unassigned fund balance permitted by New York State Real Property Tax Law §1318.

6. CAPITAL ASSETS, DEBT ADMINISTRATION AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions in excess of depreciation expense for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020, is as follows:

Table A-9 – Capital Assets (Net of Depreciation)

	<u>2021</u>	<u>2020</u>
Land	\$ 385,000	\$ 385,000
Construction in process	41,542,660	28,203,331
Buildings	29,885,902	32,159,944
Improvements	771,645	833,188
Vehicles, Furniture, and Equipment	<u>1,137,041</u>	<u>1,249,807</u>
Capital Assets, net	<u>\$ 73,722,248</u>	<u>\$ 62,831,270</u>

B. Debt Administration

At June 30, 2021, the District had total bonds payable of \$53,620,000 and an energy performance contract payable of \$627,551, as follows:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Serial Bonds:				
	2.00% to 3.00%			
8/1/2013		<u>\$ 1,095,000</u>	<u>\$ 1,295,000</u>	<u>\$ (200,000)</u>
QZAB Bonds:				
12/2004	0.00%	<u>\$ -</u>	<u>\$ 1,875,000</u>	<u>\$ (1,875,000)</u>
Serial Bonds:				
	2.00% to 5.00%			
4/1/2021		<u>\$ 52,525,000</u>	<u>\$ -</u>	<u>\$ 52,525,000</u>
Energy Performance Contract:				
9/2006	3.92%	<u>\$ 627,551</u>	<u>\$ 923,529</u>	<u>\$ (295,978)</u>

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa2.

6. CAPITAL ASSETS, DEBT ADMINISTRATION AND OTHER LONG-TERM LIABILITIES (Continued)

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, workers' compensation liability, net pension liability – proportionate share and total other postemployment benefits obligation. The compensated absences liability is based on employment contracts. The workers' compensation liability, the net pension liability – proportionate share and the total other postemployment benefits obligation are based on actuarial valuations.

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 18, 2021, for the year ending June 30, 2022, is \$168,777,798. This is an increase of \$11,713,651 or 7.5% over the previous year's budget.

The District budgeted revenues, other than property taxes and STAR, at a \$11,198,964 increase from the prior year's estimate, which is principally due to an estimated increase in state aid. The assigned, appropriated fund balance applied to the budget in the amount of \$10,800,000 did not change from the previous year. Additionally, the District has elected to appropriate \$1,500,000 of the ERS retirement contribution reserve; \$1,500,000 of the TRS retirement contribution reserve; \$475,000 of the workers' compensation reserve; and \$364,796 of the employee benefit accrued liability reserve towards the next year's budget. These funding pieces resulted in a tax levy of \$82,218,241.

Chapter 97 of the 2011 Laws of New York limits the increase in the property tax levy of school districts to the lesser of 2.0% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. The District's tax levy limit was \$82,666,040. The District's tax levy for the 2021-22 fiscal year is within the limits established by state law.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

Westbury Union Free School District
Attn: Dr. Tahira A. Dupree Chase
2 Hitchcock Lane
Old Westbury, NY 11568-1624

WESTBURY UNION FREE SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 41,583,993
Cash and cash equivalents - restricted	34,274,020
Accounts receivable	2,571,605
State and federal aid receivable	5,749,229
Due from other governments	<u>4,533,904</u>

Total current assets 88,712,751

NONCURRENT ASSETS:

Capital assets, net	<u>73,722,248</u>
---------------------	-------------------

Total assets 162,434,999

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - Pension	39,744,153
Deferred outflows of resources - OPEB	<u>93,658,821</u>

Total deferred outflows of resources 133,402,974

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	3,427,272
Accrued liabilities	2,640,410
Accrued interest	138,763
Due to fiduciary funds	37,055
Due to other governments	65,284
Due to Teachers' Retirement System	6,098,321
Due to Employees' Retirement System	425,234
Collections in advance	243,850
Long term liabilities due within one year	<u>2,838,546</u>

Total current liabilities 15,914,735

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	51,390,000
Bonds premium, net of current portion	5,462,746
Energy performance contract debt payable, net of current portion	319,863
Compensated absences, net of current portion	6,846,096
Workers' compensation	1,735,377
Net pension liability	9,429,838
Total other postemployment benefits	<u>297,196,127</u>

Total long-term liabilities 372,380,047

Total liabilities 388,294,782

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - Pension	14,298,909
Deferred inflows of resources - OPEB	<u>57,778,149</u>

Total deferred inflows of resources 72,077,058

NET POSITION

Net investment in capital assets	32,216,374
Restricted	53,278,734
Unrestricted	<u>(250,028,975)</u>

TOTAL NET POSITION \$ (164,533,867)

WESTBURY UNION FREE SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

GOVERNMENTAL ACTIVITIES	<u>Expenses</u>	<u>Program Revenue</u>		<i>Net (Expense) Revenue and Change in Net Position</i>
		<i>Charges for Services</i>	<i>Operating Grants</i>	
FUNCTIONS/PROGRAMS:				
General support	\$ 18,880,523	\$ -	\$ -	\$ (18,880,523)
Instruction	146,759,484	525,357	8,104,482	(138,129,645)
Pupil transportation	9,716,646	-	-	(9,716,646)
Community service	82,443	-	-	(82,443)
Debt service - interest	1,023,229	-	-	(1,023,229)
School food service program	<u>2,503,954</u>	<u>848,029</u>	<u>1,726,396</u>	<u>70,471</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 178,966,279</u>	<u>\$ 1,373,386</u>	<u>\$ 9,830,878</u>	<u>(167,762,015)</u>
GENERAL REVENUE:				
Real property taxes				77,235,742
STAR and Other Real Property Tax Items				8,826,578
Use of money and property				70,898
Sale of property and compensation for loss				54,996
State sources				54,367,181
Medicaid reimbursement				180,351
Miscellaneous				<u>1,347,111</u>
TOTAL GENERAL REVENUE				<u>142,082,857</u>
CHANGE IN NET POSITION				<u>(25,679,158)</u>
TOTAL NET POSITION - beginning of year, as previously reported				(139,255,939)
PRIOR PERIOD ADJUSTMENTS - SEE NOTE 22				<u>401,230</u>
TOTAL NET POSITION - beginning of year, as restated				<u>(138,854,709)</u>
TOTAL NET POSITION - end of year				<u>\$ (164,533,867)</u>

The accompanying notes are an integral part of these statements.

WESTBURY UNION FREE SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Debt Service</u>	<u>Miscellaneous Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents							
Unrestricted	\$ 19,312,016	\$ 126,338	\$ 2,211,728	\$ -	\$ -	\$ 19,933,911	\$ 41,583,993
Restricted	34,215,076	-	-	-	58,944	-	34,274,020
Receivables							
Tax receivables	3,284,295	-	-	-	-	-	3,284,295
State and federal aid receivable	2,437,357	2,963,683	348,189	-	-	-	5,749,229
Due from other governments	1,249,609	-	-	-	-	-	1,249,609
Due from other funds	1,167,590	-	292,213	167,190	10,044	2,696,084	4,333,121
Other receivables	1,729,938	-	841,667	-	-	-	2,571,605
TOTAL ASSETS	<u>\$ 63,395,881</u>	<u>\$ 3,090,021</u>	<u>\$ 3,693,797</u>	<u>\$ 167,190</u>	<u>\$ 68,988</u>	<u>\$ 22,629,995</u>	<u>\$ 93,045,872</u>
LIABILITIES							
Payables							
Accounts Payable	\$ 2,366,098	\$ 116,639	\$ 63,506	\$ -	\$ 5,800	\$ 875,229	\$ 3,427,272
Accrued Liabilities	2,768,328	121,597	28,960	-	-	-	2,918,885
Due to							
Due to Other Governments	-	65,284	-	-	-	-	65,284
Due to Other Funds	1,667,875	2,542,651	-	-	-	159,650	4,370,176
Teachers' Retirement System	6,098,321	-	-	-	-	-	6,098,321
Employees' Retirement System	425,234	-	-	-	-	-	425,234
Collections in Advance	-	243,850	-	-	-	-	243,850
TOTAL LIABILITIES	<u>13,325,856</u>	<u>3,090,021</u>	<u>92,466</u>	<u>-</u>	<u>5,800</u>	<u>1,034,879</u>	<u>17,549,022</u>
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue	366,956	-	-	-	-	-	366,956
FUND BALANCE							
Restricted	31,453,240	-	-	167,190	63,188	21,595,116	53,278,734
Assigned	10,922,737	-	3,601,331	-	-	-	14,524,068
Unassigned	7,327,092	-	-	-	-	-	7,327,092
TOTAL FUND BALANCE	<u>49,703,069</u>	<u>-</u>	<u>3,601,331</u>	<u>167,190</u>	<u>63,188</u>	<u>21,595,116</u>	<u>75,129,894</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 63,395,881</u>	<u>\$ 3,090,021</u>	<u>\$ 3,693,797</u>	<u>\$ 167,190</u>	<u>\$ 68,988</u>	<u>\$ 22,629,995</u>	<u>\$ 93,045,872</u>

The accompanying notes are an integral part of these statements.

WESTBURY UNION FREE SCHOOL DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2021**

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balances	\$ 75,129,894
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds	73,722,248
Deferred revenue is considered earned in the current year and recognized as revenue under full accrual accounting	366,956
Pension related government wide activity	
Deferred outflows of resources	39,744,153
Net pension liability	(9,429,838)
Deferred inflows of resources	(14,298,909)
OPEB related government wide activity	
Deferred outflows of resources	93,658,821
Deferred inflows of resources	(57,778,149)
Total OPEB liability	(297,196,127)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds	(59,997,797)
Long-term liabilities, including compensated absences and judgements and claims are not due and payable in the current period and, therefore, are not reported in the funds	(8,316,356)
Interest payable at year end is recorded in the government-wide statements under full accrual accounting	<u>(138,763)</u>
NET POSITION OF GOVERNMENT-WIDE	<u>\$ (164,533,867)</u>

WESTBURY UNION FREE SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Debt Service</u>	<u>Miscellaneous Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUE:							
Real property taxes	\$ 77,235,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,235,742
Other Real Property tax items	3,384,711	-	-	-	-	-	3,384,711
School Tax Relief Reimbursement	5,441,867	-	-	-	-	-	5,441,867
Charges for services	525,357	-	-	-	-	-	525,357
Use of money and property	65,760	-	-	-	5,093	45	70,898
Sale of property and compensation for loss	54,996	-	-	-	-	-	54,996
Miscellaneous	1,320,252	-	-	-	26,859	-	1,347,111
State Aid	55,128,599	3,788,357	48,717	-	-	-	58,965,673
Medicaid reimbursement	180,351	-	-	-	-	-	180,351
Federal Aid	1,134,809	3,181,316	1,401,680	-	-	-	5,717,805
Surplus Food	-	-	275,999	-	-	-	275,999
Sales - school lunch	-	-	848,029	-	-	-	848,029
	<u>144,472,444</u>	<u>6,969,673</u>	<u>2,574,425</u>	<u>-</u>	<u>31,952</u>	<u>45</u>	<u>154,048,539</u>
EXPENDITURES:							
General support	13,904,242	-	-	-	21,422	52,127	13,977,791
Instruction	86,974,441	7,158,476	-	-	-	-	94,132,917
Pupil transportation	9,509,910	(19,781)	-	-	-	-	9,490,129
Community Service	3,998	78,445	-	-	-	-	82,443
School lunch program	-	-	1,797,831	-	-	-	1,797,831
Employee benefits	29,507,068	98,393	180,964	-	-	-	29,786,425
Debt service - principal	2,694,978	-	-	-	-	-	2,694,978
Debt service - interest	873,627	-	-	-	-	-	873,627
Capital outlay	-	-	-	-	-	13,292,556	13,292,556
	<u>143,468,264</u>	<u>7,315,533</u>	<u>1,978,795</u>	<u>-</u>	<u>21,422</u>	<u>13,344,683</u>	<u>166,128,697</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,004,180</u>	<u>(345,860)</u>	<u>595,630</u>	<u>-</u>	<u>10,530</u>	<u>(13,344,638)</u>	<u>(12,080,158)</u>
OTHER SOURCES AND (USES):							
Proceeds from issuance of bonds	-	-	-	-	-	52,525,000	52,525,000
Premium on issuance of debt	-	-	-	-	-	5,750,246	5,750,246
BANs redeemed from appropriations	-	-	-	-	-	324,000	324,000
Operating transfers in	-	345,860	-	-	-	1,376,800	1,722,660
Operating transfers (out)	(1,722,660)	-	-	-	-	-	(1,722,660)
	<u>(1,722,660)</u>	<u>345,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,976,046</u>	<u>58,599,246</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(718,480)</u>	<u>-</u>	<u>595,630</u>	<u>-</u>	<u>10,530</u>	<u>46,631,408</u>	<u>46,519,088</u>
FUND BALANCE (DEFICIT) - beginning of year, as previously reported	50,072,977	-	3,005,701	167,190	-	(25,036,292)	28,209,576
PRIOR PERIOD ADJUSTMENTS - SEE NOTE 22	<u>348,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,658</u>	<u>-</u>	<u>401,230</u>
FUND BALANCE (DEFICIT) - beginning of year, as restated	<u>50,421,549</u>	<u>-</u>	<u>3,005,701</u>	<u>167,190</u>	<u>52,658</u>	<u>(25,036,292)</u>	<u>28,610,806</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 49,703,069</u>	<u>\$ -</u>	<u>\$ 3,601,331</u>	<u>\$ 167,190</u>	<u>\$ 63,188</u>	<u>\$ 21,595,116</u>	<u>\$ 75,129,894</u>

The accompanying notes are an integral part of these statements.

WESTBURY UNION FREE SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net changes in fund balance - Total governmental funds	\$ 46,519,088
Long Term Revenue and Expense Differences:	
<p>In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick days) 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 amount of financial resources used. The payables for these benefits for the year end changed by:</p>	
Compensated absences	(139,280)
Workers' compensation	(282,332)
Retainage payable	482,776
Other postemployment benefits expense resulting from GASB 75 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the Statement of Activities	(20,428,709)
Pension expense resulting from GASB 68 related pension actuary reporting is not recorded as an expenditure in the government funds but is recorded in the Statement of Activities	(5,906,391)
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements.	(761,418)
Capital Related Items:	
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	13,541,175
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(2,650,197)
Long-Term Debt Transactions:	
<p>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 at year end changed by:</p>	
Repayment of bond and 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.	2,694,978
BANs redeemed from appropriations are revenue in governmental funds, but not recognized in government wide statements.	(324,000)
Proceeds of bond premiums are recorded as other sources in the governmental funds, but are recorded as additions of liabilities in the statement of net position.	(5,750,246)
Proceeds of long-term debt are recorded as other sources in the governmental funds, but are recorded as additions of liabilities in the statement of net position.	(52,525,000)
The unamortized discount is amortized on the Statement of Net Position over the life of the bond. Governmental funds recorded the premium as other sources of revenue in the year received.	<u>(32,379)</u>
Change in net position - Governmental activities	<u>\$ (25,679,158)</u>

WESTBURY UNION FREE SCHOOL DISTRICT

**STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2021**

	<u>Custodial Fund</u>
ASSETS	
Due from other funds	\$ <u>37,055</u>
LIABILITIES	
Due to other governments	<u>37,055</u>
NET POSITION	
Restricted	<u>\$ -</u>

WESTBURY UNION FREE SCHOOL DISTRICT

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Custodial Fund</u>
ADDITIONS	
Taxes collected on behalf of other governments	\$ <u>2,302,268</u>
DEDUCTIONS:	
Taxes paid to other governments	<u>2,302,268</u>
CHANGE IN NET POSITION	-
NET POSITION - beginning of year	<u>-</u>
NET POSITION - end of year	<u>\$ -</u>

WESTBURY UNION FREE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Westbury Union Free School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (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. Significant accounting principles and policies used by the District are as follows:

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 President of the Board of Education serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and oversees all activities related to public school education within the District. The Board of Education has the authority to set policy, 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 GAAP as prescribed by (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the District's business office and on the District's website. The District accounts for assets held as an agent for various student organizations in the miscellaneous revenue fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The District is a component school district in the Board of Cooperative Educational Services of Nassau (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under Section §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §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 General Municipal Law. A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

Basis of Presentation

District-Wide Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through real property taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflect capital-specific grants, if applicable.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 as defined by GASB, each displayed in a separate column. All of the funds of the District are displayed as major funds. The District reports the following governmental funds:

Governmental Funds:

- General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- Special Aid Fund - This fund accounts for and reports 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 by either governments that provide the funds or outside third parties.
- School Food Service Fund - Used to account for transactions of the lunch and breakfast programs.
- Debt Service Fund - is used to accounts for and reports financial resources and that are restricted to expenditure for principal and interest on long-term general obligation debt. Debt service fund should be used to report resources if legally mandated basis.
- Miscellaneous Revenue Fund - is used to accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes.
- Capital Projects Funds - is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition, construction, renovation, or major repair of capital facilities and other capital assets, such as equipment.

The District reports the following fiduciary funds:

Fiduciary Funds:

- Custodial Fund - This fund accounts for assets held by the District in a purely custodial capacity on a temporary basis.

Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, state aid, grants and donations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. 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 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs and other postemployment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Use of 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 deferred outflows of resources, and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, pension costs, other postemployment benefits, workers' compensation liabilities, potential contingent liabilities and useful lives of capital assets.

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. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. 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 School Districts. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

Receivables

Receivables are shown net of an allowance for uncollectible amounts, if any. However, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources 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 to Financial Statements.

Inventories

Inventories of food in the school food service 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. These inventories are accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt or purchase and an expense/expenditure is reported in the year the goods are consumed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories (Continued)

Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

A portion of fund balance has been classified as nonspendable to indicate that inventories do not constitute available spendable resources.

Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide 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, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. A detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity is provided subsequently in these Notes to Financial Statements.

Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction in progress, are depreciated on a straight line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 25,000-\$50,000	SL	20-50 years
Machinery and equipment	\$ 2,500	SL	5-20 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows 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, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-Wide Statement of Net Position. This represents the difference between expected and actual experience (TRS and ERS), the net difference between projected and actual investment earnings on pension plan investments (ERS), changes in proportion and differences between contributions and proportionate share of contributions (TRS and ERS) and the District's contributions to the pension systems (TRS and ERS systems) subsequent to the measurement date. The second item is related to OPEB reported in the district-wide statement of net position. This represents the difference between expected and actual experience and changes in assumptions and other inputs not included in OPEB expense.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the district-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2021, consists of that portion of the amount due from New York State for local aid payments, including BOCES aid, which is unavailable. Unavailable revenues, in the general fund at June 30, 2021, total \$366,956.

Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grants 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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

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

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. 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 payment method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is determined based on the terms of the collective bargaining agreements and individual employment contracts 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.

Other Benefits

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

The District provides individual and family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 general fund, in the year paid. In the district-wide statements the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75.

Real Property Taxes

Real property taxes are levied annually by the Board of Education no later than August 15th and become a lien on October 1st and April 1st. Taxes are collected by the Towns of Hempstead and North Hempstead along with the respective Town and Nassau county levies. Tax collections are remitted to the District between November and June.

The District also levies the real property taxes for the Westbury Memorial Public Library (Library), which are collected by the Town and remitted to the District. The District remits the Library's share of the tax levy to the Library in 4 installments. These pass-through amounts are not included in the District's real property tax revenue.

Uncollected real property taxes are the responsibility of Nassau County.

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payments In Lieu of Taxes

The District reports payments in lieu of taxes (PILOT) revenues in the general fund as other tax items revenue. These PILOT revenues are often the results of tax abatements granted by industrial development agencies of the towns and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected PILOTs to the District.

PILOT-payments collected on behalf of the Library are remitted to the Library. These pass-through amounts are not included in the District's other tax revenues.

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and instead, allowed LIPA to make payments in lieu of taxes with annual increases of no more than 2% in response to the New York State Public Authorities Law Section 1020-q (the "LIPA Reform Act") enacted by the State in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, Tax Abatement Disclosures, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments.

Unearned Revenue

Unearned revenue is reported when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

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 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, or seven years if originally issued during calendar year 2015 through and including 2021. The notes, or the renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve month period thereafter.

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the Government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year (current) or due within more than one year (non-current) in the Statement of Net Position.

Equity Classification

District-wide Statements

In the Government-wide statements, there are three classes of net position:

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

Restricted 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 - reports all other components of net position that do not meet the definition of the two above classifications and are deemed to be available for general use by the District.

Fund Financial Statements

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

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 Food Service Fund.

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.

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

The District has established the following restricted fund balances:

Reserve for Workers' Compensation

According to General Municipal Law §6-j, this reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

According to General Municipal Law §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.

Reserve for Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit based on unused and unpaid sick leave, personal leave, holiday leave or vacation time 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.

Retirement Contribution Reserve

According to General Municipal Law §6-r, must be used for financing retirement contributions payable to the New York State Teachers' Retirement System and the New York State and Local Employees' Retirement System. These reserves 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. These reserves are accounted for in the general fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. During a fiscal year, a Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.

Insurance Reserve

Insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used of any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Insurance Reserve (Continued)

The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purposes further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The reserve is accounted for in the general fund.

Repairs Reserve

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. 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, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund.

Property Loss Reserve and Liability Reserve

Property loss reserve and liability reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund.

Debt Service

Used to account for the accumulation of resources that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the debt service fund.

Restricted – Unspent Debt Proceeds

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

Restricted for Scholarships

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) a body (budget or finance committee, for example) or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated for the subsequent year's budget of the general fund, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned - Includes all other general fund balance amounts that do not meet the definition of the above classifications and are deemed to be available for general use by the District. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund. NYS Real Property Tax Law §1318 restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the subsequent year's budget.

Order of use of Fund Balance

Fund balance measures the net financial resources available to finance expenditures within current or future periods. The District's Unassigned General Fund fund balance will be maintained to provide the District with financial stability and a margin of safety to fund unanticipated contingent expenditures that may occur unexpectedly during the fiscal year. The Unassigned General Fund fund balance used for these purposes may only be appropriated by resolution of the Board of Education unless voter approval is required.

Any portion of fund balance may be applied or transferred for a specific purpose either by voter approval if required by law or by formal action of the Board of Education if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Education.

The Board of Education delegates the authority to assign fund balance, for encumbrance purposes, to the Superintendent or his designee. For budgeting purposes, the authority to assign fund balance for subsequent year's expenditures (i.e., appropriating fund balance to reduce property tax levy for the subsequent year's budget) is exercised by the Board of Education upon their affirmative vote on the resolution adopting the tax levy for said subsequent fiscal year.

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

2. FUTURE CHANGES IN ACCOUNTING STANDARDS

- GASB Statement No. 87 – Leases Effective for the year ended June 30, 2022

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENT FUND STATEMENTS AND THE DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term assets and liabilities, including pensions.

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

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

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, thereby affecting expenses such as compensated absences and other postemployment benefits.

- Employee Benefit Allocation
Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance. These costs have been allocated based on total salary for each function in the Statement of Activities.
- Pension Differences
Pension differences occur as a result of changes in the District's proportion of the effective net pension asset/liability differences between the District's contributions and its proportionate share of the total contributions to the pension system, and District contributions to the pension system subsequent to the measurement date.
- OPEB Differences
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENT FUND STATEMENTS AND THE DISTRICT-WIDE STATEMENTS (Continued)

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is included as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements, whereas interest is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget. Appropriations are adopted at the program line item level.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that 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 can be funded by the planned use of specific reserves, and can be increased by budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balance. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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 estimated 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.

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.

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Unassigned Fund Balance

The District's general fund unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District is in the process of formulating a plan to reduce the unassigned fund balance to be within the permissible limit. This plan will address funding its reserves to a fiscally prudent level and the capital needs of the District.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in FDIC insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. 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 New York State and its municipalities.

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 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

None of the District's aggregate bank balances not covered by depository insurance were exposed to custodial credit risk as described above.

The District did not have any investments at year-end or during the year. Consequently, the District was not exposed to any material interest rate risk or foreign currency risk.

6. PARTICIPATION IN BOCES

During the year ended June 30, 2021, the District was billed \$18,788,635 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$3,051,191. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11503-9195.

7. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2021 consisted of:

General Fund	
CARES Act - ESSER and GEER	\$ 907,848
New York State - General Aid	15,435
New York State - Excess Cost Aid	1,504,386
Other	<u>9,688</u>
Total General Fund	2,437,357
Special Aid Fund	
Federal and State Grants	2,963,683
Schools Food Service Fund	
Federal and State Food Service Reimbursements	<u>348,189</u>
Total	<u>\$ 5,749,229</u>

District management expects these amounts to be fully collectible.

8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

	July 1, 2020 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2021 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 385,000	\$ -	\$ -	\$ 385,000
Construction in progress	<u>28,203,331</u>	<u>13,339,329</u>	<u>-</u>	<u>41,542,660</u>
Total non-depreciable cost	<u>28,588,331</u>	<u>13,339,329</u>	<u>-</u>	<u>41,927,660</u>
Capital assets that are depreciated:				
Improvements other than buildings	1,975,145	-	-	1,975,145
Buildings and improvements	73,416,625	9,998	-	73,426,623
Furniture, equipment and vehicles	<u>3,834,832</u>	<u>191,848</u>	<u>-</u>	<u>4,026,680</u>
Total depreciable historical cost	<u>79,226,602</u>	<u>201,846</u>	<u>-</u>	<u>79,428,448</u>
Less accumulated depreciation:				
Improvements other than buildings	1,141,958	61,542	-	1,203,500
Buildings and improvements	41,256,681	2,284,040	-	43,540,721
Furniture, equipment and vehicles	<u>2,585,024</u>	<u>304,615</u>	<u>-</u>	<u>2,889,639</u>
Total accumulated depreciation	<u>44,983,663</u>	<u>2,650,197</u>	<u>-</u>	<u>47,633,860</u>
Total capital assets, net	<u>\$ 62,831,270</u>	<u>\$ 10,890,978</u>	<u>\$ -</u>	<u>\$ 73,722,248</u>

8. CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2021, was allocated to specific functions as follows:

General support	\$ 26,330
Instruction	2,579,313
School food service program	40,235
Pupil Transportation	<u>4,319</u>
Total Depreciation	<u>\$ 2,650,197</u>

9. INTERFUND TRANSACTIONS

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 1,167,590	\$ 1,667,875	\$ -	\$ 1,722,660
Special aid fund	-	2,542,651	345,860	-
School food service fund	292,213	-	-	-
Debt service fund	167,190	-	-	-
Miscellaneous revenue fund	10,044	-	-	-
Capital projects fund	2,696,084	159,650	1,376,800	-
Custodial fund	<u>37,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,370,176</u>	<u>\$ 4,370,176</u>	<u>\$ 1,722,660</u>	<u>\$ 1,722,660</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

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

All interfund payables are expected to be repaid within one year.

10. SHORT-TERM DEBT

Transactions in short-term debt for the year ended June 30, 2021 are as follows:

	<u>Issued</u>	Interest <u>Rate</u>	Beginning <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	Ending <u>Balance</u>
BAN 4/23/2020		1.850%	<u>\$ 53,949,000</u>	<u>\$ -</u>	<u>\$ 53,949,000</u>	<u>\$ -</u>

11. LONG-TERM DEBT

Long-term liability balances and activity for the year ended June 30, 2021 are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable:						
Serial Bonds	\$ 3,170,000	\$ 52,525,000	\$ 2,075,000	\$ 53,620,000	\$ 2,230,000	\$ 51,390,000
Unamortized bond premium (discount)	(32,379)	5,782,625	-	5,750,246	287,500	5,462,746
Energy performance contract	923,529	-	295,978	627,551	307,688	319,863
Total bonds and notes payable	4,061,150	58,307,625	2,370,978	59,997,797	2,825,188	57,172,609
Other long-term debt:						
Compensated Absences (*)	6,441,699	139,280	-	6,580,979	13,358	6,567,621
Workers' Compensation (*)	1,453,045	282,332	-	1,735,377	-	1,735,377
Net pension liability (*)	7,313,473	2,116,365	-	9,429,838	-	9,429,838
Total other postemployment benefits	296,615,380	5,542,403	4,961,656	297,196,127	-	297,196,127
Total Long Term Debt	<u>\$315,884,747</u>	<u>\$ 66,388,005</u>	<u>\$ 7,332,634</u>	<u>\$374,940,118</u>	<u>\$ 2,838,546</u>	<u>\$372,101,572</u>

(*) - increases or reductions are shown as net change as it is impractical to determine changes.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2021 <u>Balance</u>
Serial Bonds	8/2013	8/2025	2.00%-3.00%	\$ 1,095,000
Serial Bonds	4/2021	12/2040	2.00%-5.00%	52,525,000
				<u>\$ 53,620,000</u>

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,230,000	\$ 2,052,310	\$ 4,282,310
2023	2,615,000	1,665,563	4,280,563
2024	2,855,000	1,533,375	4,388,375
2025	2,935,000	1,393,075	4,328,075
2026	2,880,000	1,252,300	4,132,300
2027-2031	16,155,000	4,052,825	20,207,825
2032-2036	18,740,000	1,473,100	20,213,100
2037-2041	5,210,000	240,200	5,450,200
Total	<u>\$ 53,620,000</u>	<u>\$ 13,662,748</u>	<u>\$ 67,282,748</u>

11. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of installment purchase debt:

Energy performance contract	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Fiscal Year Ending June 30,</u>			
2022	\$ 307,688	\$ 21,605	\$ 329,293
2023	<u>319,863</u>	<u>9,430</u>	<u>329,293</u>
	<u>\$ 627,551</u>	<u>\$ 31,035</u>	<u>\$ 658,586</u>

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

Interest paid	\$ 873,627
Less : interest accrued in the prior year	(21,540)
Plus : amortization of unamortized discount	32,379
Plus : interest accrued in the current year	<u>138,763</u>
Total expense	<u>\$ 1,023,229</u>

12. PENSION PLANS

New York State Employee Retirement System (NYSERS) (ERS)

Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

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

12. PENSION PLANS (Continued)

New York State Employee Retirement System (NYSERS) (Continued)

Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but before April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2020, were paid. The required contributions for the current year and two preceding years were:

2021	\$	1,502,908
2020	\$	1,428,876
2019	\$	1,433,310

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a net pension liability of \$29,767 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the District's proportion was .0298941%, which was an increase of .0022758% from its proportion as of March 31, 2020

For the year ended June 30, 2021, the District recognized pension expense of \$1,348,914. At June 30, 2021, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 363,533	\$ -
Changes of Assumptions	5,473,141	103,225
Net difference between projected and actual earnings on pension plan investments	-	8,550,759
Changes in proportion and differences between the District's contributions and proportionate share of contributions	812,485	101,655
Contributions subsequent to the measurement date	425,234	-
	<u>\$ 7,074,393</u>	<u>\$ 8,755,639</u>

12. PENSION PLANS (Continued)

New York State Employee Retirement System (NYSERS) (Continued)

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

Amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2022	\$	(236,366)
2023		10,488
2024		(339,387)
2025		<u>(1,541,215)</u>
	\$	<u><u>(2,106,480)</u></u>

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest Rate	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2010-March 31, 2015 Systems Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term 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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation.

12. PENSION PLANS (Continued)

New York State Employee Retirement System (NYSERS) (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic/ARS portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100%</u>	

Real rates of return are net of long-term inflation assumption of 2.0% for ERS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 Plan's 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 liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

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

	<u>1 % Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer's Proportionate Share of Net Pension liability (asset)	\$ 8,262,097	\$ 29,767	\$ (7,562,368)

12. PENSION PLANS (Continued)

New York State Employee Retirement System (NYSERS) (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	Pension Plan's Fiduciary Net Position
	(Dollars in thousands)
Total pension liability	\$ 220,680,157
Fiduciary net position	220,580,583
Net pension liability (asset)	<u>\$ 99,574</u>
Fiduciary net position as a percentage of total pension liability	99.95%

Payables to the Pension Plan

The employer contributions for the fiscal year ended June 30, 2021 are paid annually to the System based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$425,234 of employer contributions. Employee contributions are remitted monthly.

New York State Teacher Retirement System (NYSTRS)

Plan Description

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The System provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org. or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

12. PENSION PLANS (Continued)

New York State Teachers Retirement System (NYSTRS) (Continued)

Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity. The required employer contributions for the current year and two preceding years were:

2021	\$ 5,575,743
2020	\$ 5,115,692
2019	\$ 5,977,659

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the District reported net pension liability of \$9,400,071 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2019. The District's proportion of the net pension asset was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 the District's proportionate share was 0.340179%, which was an increase of 0.00296% from its proportionate share reported at June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$11,989,562. At June 30, 2021 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,236,344	\$ 481,736
Changes of Assumptions	11,888,903	4,237,772
Net difference between projected and actual earnings on pension plan investments	6,139,071	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	307,121	823,762
Contributions subsequent to the measurement date	6,098,321	-
	<u>\$ 32,669,760</u>	<u>\$ 5,543,270</u>

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (NYSTRS) (Continued)

Amounts reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2022	\$ 3,521,125
2023	7,251,306
2024	5,906,422
2025	3,748,675
2026	187,071
Thereafter	<u>413,570</u>
	<u>\$ 21,028,169</u>

Actuarial Assumptions

The total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 with update procedures used to roll forward the total pension liability to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Measurement Date	June 30, 2020										
Actuarial Valuation Date	June 30, 2019										
Interest Rate	7.10% compounded annually, net of pension plan investment expense including inflation										
Salary Scale											
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>4.72%</td></tr><tr><td>15</td><td>3.46%</td></tr><tr><td>25</td><td>2.37%</td></tr><tr><td>35</td><td>1.90%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	4.72%	15	3.46%	25	2.37%	35	1.90%
<u>Service</u>	<u>Rate</u>										
5	4.72%										
15	3.46%										
25	2.37%										
35	1.90%										
Decrement tables	July 1, 2009-June 30, 2014 Systems Experience										
Inflation rate	2.20%										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on society of Actuaries Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (NYSTRS) (Continued)

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 for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2020 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.0%	7.1%
International Equity	16.0%	7.7%
Global Equity	4.0%	7.4%
Real Estate Equity	11.0%	6.8%
Private Equity	8.0%	10.4%
Domestic Fixed Income	16.0%	1.8%
Global Bonds	2.0%	1.0%
High-Yield Bonds	1.0%	3.9%
Private Debt	1.0%	5.2%
Real Estate Debt	7.0%	3.6%
Cash Equivalents	1.0%	0.7%
	<u>100%</u>	

Real rates of return are net of the long-term inflation assumption of 2.2% for 2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's 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 liability.

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (NYSTRS) (Continued)

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

The following presents the net pension liability (asset) of the District using the discount rate of 7.10%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

	1 % Decrease <u>(6.10%)</u>	Current Assumption <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Employer's Proportionate Share of Net Pension liability (asset)	\$ 59,377,015	\$ 9,400,072	\$ (32,543,248)

Pension Plan Fiduciary Net Position

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2020 were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>
Total pension liability	\$123,242,776,215
Fiduciary net position	<u>120,479,505,380</u>
Net pension liability (asset)	<u><u>\$ 2,763,270,835</u></u>
Fiduciary net position as a percentage of total pension liability	97.76%

Payables to the Pension Plan

The employer contributions for the fiscal year ended June 30, 2021 are paid annually to the System in September, October and November 2020 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the fiscal year June 30, 2021 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$5,575,743 of employer contributions and \$504,311 of employee contributions.

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 the employees for the year ended June 30, 2021, totaled \$293,181 and \$3,677,086, respectively.

12. PENSION PLANS (Continued)

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, 2021 totaled \$456,529.

13. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District's OPEB Plan (the Plan) defined as a single employer defined benefit plan primarily provides postemployment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP) and through Health Insurance Providers (HIP). Benefits provided are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options Inc., and Empire BlueCross BlueShield/Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend provisions to the District. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Benefits Provided

The District provides medical and Medicare Part B coverage to eligible retirees and their covered dependents. The District pays between 35% and 100% of the cost for retirees, disabled retirees, and spouses and dependents. The benefits provided to employees upon retirement are based upon provisions in various contracts that the District has in place with different classifications of employees. All active employees who retire or are disabled directly from the District and meet eligibility criteria will participate. The benefits are provided through fully-insured plans that are sponsored by NYSHIP. 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.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	529
Active employees	<u>684</u>
Total participants	<u><u>1,213</u></u>

Total OPEB Liability

The District's total OPEB liability of \$297,196,127 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at July 1, 2020	<u>\$ 296,615,380</u>
Changes for the Year	
Service cost	11,200,473
Interest on total OPEB liability	6,748,203
Effect of demographic gains or losses	(50,022,496)
Effect of assumptions changes or inputs	37,616,223
Benefit payments	<u>(4,961,656)</u>
Net changes	<u>580,747</u>
Balance at June 30, 2021	<u>\$ 297,196,127</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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 (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$ 361,600,896</u>	<u>\$ 297,196,127</u>	<u>\$ 247,346,586</u>

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

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 (4.3%) or 1- percentage point higher (6.3%) than the current healthcare cost trend rate:

	Healthcare Cost Trend		
	1% Decrease (4.30%)	Current (5.30%)	1% Increase (6.30%)
Total OPEB Liability	<u>\$ 238,011,373</u>	<u>\$ 297,196,127</u>	<u>\$ 377,639,474</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$25,390,365. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,739,501	\$ 43,846,879
Changes of assumptions or other inputs	<u>69,919,320</u>	<u>13,931,270</u>
Total	<u>\$ 93,658,821</u>	<u>\$ 57,778,149</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	
2022	\$ 7,441,689
2023	7,441,689
2024	7,441,689
2025	7,441,689
2026	7,239,010
Thereafter	<u>(1,125,094)</u>
	<u>\$ 35,880,672</u>

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial methods and assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Measurement date	June 30, 2021
Actuarial cost Method	Entry Age Normal – Cost Method
Plan type	Single Employer Defined Benefit Plan
Inflation Rate	2.60%
Healthcare cost trend rates	5.3% in 2021, decreasing to and ultimate rate of 4.1% in 2076.
Discount rate	2.16%
Mortality	RP-2014 adjusted to 2006 Total Dataset Morality Table projected to valuation date with scale MP-2016.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have data which to perform an experience study. As a result, a full actuarial experience study is not applicable.

14. RISK MANAGEMENT

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

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 reported and unreported claims which were incurred on or before year end but not reported (IBNR). Claims activity is summarized below:

	Undiscounted	
	2021	2020
Unpaid Claims at Beginning of Year	\$ 1,545,985	\$ 1,544,511
Incurred Claims and Claim Adjustment		
Expenses	622,746	784,016
Claim Payments	(433,354)	(782,542)
Unpaid Claims at Year End	<u>\$ 1,735,377</u>	<u>\$ 1,545,985</u>

15. FUND BALANCES

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund Balance Sheet:

	General	School Food Service	Debt Service	Miscellaneous Revenue	Capital Project	Total
Restricted						
Workers' Compensation	\$ 4,109,104	\$ -	\$ -	\$ -	\$ -	\$ 4,109,104
Unemployment Insurance	431,159	-	-	-	-	431,159
Employee Benefit Accrued Liability	9,265,624	-	-	-	-	9,265,624
Retirement Contribution						
Employees' Retirement System	7,286,326	-	-	-	-	7,286,326
Teachers' Retirement System	2,819,215	-	-	-	-	2,819,215
Insurance	450,428	-	-	-	-	450,428
Repairs	21,316	-	-	-	-	21,316
Property Loss	450,449	-	-	-	-	450,449
Liability	438,832	-	-	-	-	438,832
Capital	6,166,617	-	-	-	-	6,166,617
Other	14,170	-	-	-	-	14,170
Debt Service	-	-	167,190	-	-	167,190
Miscellaneous revenue	-	-	-	63,188	-	63,188
Unspent Debt Proceeds	-	-	-	-	21,595,116	21,595,116
Total Restricted	<u>31,453,240</u>	<u>-</u>	<u>167,190</u>	<u>63,188</u>	<u>21,595,116</u>	<u>53,278,734</u>
Assigned						
Encumbrances	237,656	-	-	-	-	237,656
Appropriated for Subsequent Year's Budget	10,685,081	-	-	-	-	10,685,081
Assigned: Unappropriated	-	3,601,331	-	-	-	3,601,331
Total Assigned	<u>10,922,737</u>	<u>3,601,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,524,068</u>
Unassigned	<u>7,327,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,327,092</u>
Total Equity Fund	<u>\$ 49,703,069</u>	<u>\$ 3,601,331</u>	<u>\$ 167,190</u>	<u>\$ 63,188</u>	<u>\$ 21,595,116</u>	<u>\$ 75,129,894</u>

15. FUND BALANCES (Continued)

The following is a summary of the change in General Fund restricted funds during the year ended June 30, 2021:

<u>Reserved</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Workers' Compensation	\$ 3,804,874	\$ 604,230	\$ 300,000	\$ 4,109,104
Unemployment Insurance	330,791	100,368	-	431,159
Employee Benefit Accrued Liability	9,455,113	10,511	200,000	9,265,624
Retirement Contribution - ERS	6,778,790	1,307,536	800,000	7,286,326
Retirement Contribution - TRS	2,316,640	1,102,575	600,000	2,819,215
Insurance	449,928	500	-	450,428
Capital	5,037,817	2,505,600	1,376,800	6,166,617
Repairs	21,292	24	-	21,316
Property Loss	449,949	500	-	450,449
Other	-	14,170	-	14,170
Liability	438,345	487	-	438,832
Total	<u>\$ 29,083,539</u>	<u>\$ 5,646,501</u>	<u>\$ 3,276,800</u>	<u>\$ 31,453,240</u>

16. RESTRICTED FUND BALANCE-APPROPRIATED RESERVES

The District expects to appropriate \$1,500,000 from the ERS retirement contribution reserve and the TRS retirement contribution reserve, \$364,796 from the employee benefit accrued liability reserve, and \$475,000 from the workers' compensation reserve, which are reported in the June 30, 2021 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2022.

17. RESTRICTED FOR CAPITAL RESERVE

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

<u>Date Created</u>	<u>May 2019</u>
Number of Years to Fund	10
Maximum Funding	<u>\$ 25,000,000</u>
General Fund	
Funding Provided Since Inception	7,500,000
Interfund transfer since inception	(1,376,800)
Interest Earnings Since Inception	<u>43,417</u>
Total General Fund	<u>\$ 6,166,617</u>

18. TAX ABATEMENTS

The Nassau County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. As a result of those abatement programs, the District's 2020-21 property taxes were abated by \$8,402,459. The District received payment in lieu of taxes (PILOT) payments totaling \$1,972,367.

19. CONTINGENCIES AND COMMITMENTS

Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2021, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance:

General Fund

General support	\$	179,660
Instruction		<u>57,996</u>
Total General Fund		237,656

Capital Projects Fund

Capital Projects		<u>13,397,864</u>
	\$	<u><u>13,635,520</u></u>

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.

Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. Management believes that the outcome of any matters will not have a material effect on these financial statements.

20. COVID-19 PANDEMIC

The United States is presently in the midst of a national health emergency related to a virus, commonly known as the Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. In response to the economic impact in December 2020 and March 2021, the federal government passed two important acts respectively, the Coronavirus Response and Relief Supplemental Appropriations ACT (CRRSA) and the American Rescue Plan Act (ARPA).

The CRRSA and ARPA provide for significant amount of funding for COVID-19 related costs. The District will receive funding from the CRRSA in the amount of \$4,663,936 to be used to prevent, prepare for, and respond to the coronavirus and its impact on education. The District will also receive funding from the ARPA in the amount of \$7,648,097. This second funding is to be used for the safe return to in-person instruction, the impact of lost instructional time, maintain safe operations and to address the disproportionate impact of the coronavirus on economically disadvantaged students, children with disabilities, English learners, racial and ethnic minorities, migrant students, students experiencing homelessness, and children and youth in foster care.

21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.

22. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS

The District adopted GASB Statement No. 84, Fiduciary Activities, during the year ended June 30, 2021. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

	Fiduciary Activities		General Fund		
	Agency		Cash	Accrued Liabilities	Fund Balance
	Assets	Liabilities			
Balance at June 30, 2020, as previously reported	\$ 1,243,305	\$ 1,243,305	\$ 41,058,427	\$ 2,167,769	\$ 50,072,977
Restatement of beginning balance:					
Correction of accounts payable				(348,572)	348,572
Adoption of GASB Statement No. 84	<u>(1,243,305)</u>	<u>(1,243,305)</u>	<u>1,286,100</u>	<u>1,286,100</u>	<u>-</u>
Balance at July 1, 2020 as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,344,527</u>	<u>\$ 3,105,297</u>	<u>\$ 50,421,549</u>

	Private Purpose Trust Fund		
	Assets	Liabilities	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 10,463	\$ 600	\$ 9,863
Restatement of beginning balance:			
Adoption of GASB Statement No. 84	<u>(10,463)</u>	<u>(600)</u>	<u>(9,863)</u>
Balance at July 1, 2020 as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Miscellaneous Special Revenue Fund		
	Cash	Liabilities	Fund Balance
Balance at June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Restatement of beginning balance:			
Adoption of GASB Statement No. 84	<u>53,258</u>	<u>600</u>	<u>52,658</u>
Balance at July 1, 2020 as restated	<u>\$ 53,258</u>	<u>\$ 600</u>	<u>\$ 52,658</u>

	Governmental Activities		
	Assets	Liabilities	Net Position
Balance at June 30, 2020, as previously reported	\$ 169,420,151	\$ 384,879,103	\$ (139,255,939)
Restatement of beginning balance:			
Correction of accounts payable		(348,572)	348,572
Adoption of GASB Statement No. 84	<u>1,339,358</u>	<u>1,286,700</u>	<u>52,658</u>
Balance at July 1, 2020 as restated	<u>\$ 170,759,509</u>	<u>\$ 385,817,231</u>	<u>\$ (138,854,709)</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Final Budget Variance with Budgetary Actual</i>
REVENUE					
Local sources:					
Real property taxes	\$ 82,628,431	\$ 77,186,564	\$ 77,235,742	\$ -	\$ 49,178
School Tax Relief Reimbursement	-	5,441,867	5,441,867	-	-
Other tax items	3,182,167	3,182,167	3,384,711	-	202,544
Charges for services	550,000	550,000	525,357	-	(24,643)
Use of money and property	150,000	150,000	65,760	-	(84,240)
Sale of property and compensation for loss	-	-	54,996	-	54,996
Miscellaneous	<u>588,609</u>	<u>622,150</u>	<u>1,320,252</u>	<u>-</u>	<u>698,102</u>
Total local sources	<u>87,099,207</u>	<u>87,132,748</u>	<u>88,028,685</u>	<u>-</u>	<u>895,937</u>
State sources	55,964,939	54,830,129	55,128,599	-	298,470
Federal sources	-	1,134,810	1,134,809	-	(1)
Medicaid reimbursement	<u>400,000</u>	<u>400,000</u>	<u>180,351</u>	<u>-</u>	<u>(219,649)</u>
Total non-local sources	<u>56,364,939</u>	<u>56,364,939</u>	<u>56,443,759</u>	<u>-</u>	<u>78,820</u>
Total revenue	<u>143,464,146</u>	<u>143,497,687</u>	<u>144,472,444</u>	<u>-</u>	<u>974,757</u>

(Continued)

The accompanying notes are an integral part of these schedules

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Variance with Budgetary Actual and Encumbrances</i>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 190,462	\$ 206,463	\$ 182,093	\$ -	\$ 24,370
Central administration	463,318	463,318	427,732	-	35,586
Finance	1,386,374	1,521,212	1,438,939	7,461	74,812
Staff	775,205	811,921	717,301	-	94,620
Central services	10,431,615	10,398,192	9,073,874	172,199	1,152,119
Special items	<u>2,296,491</u>	<u>2,296,491</u>	<u>2,064,303</u>	<u>-</u>	<u>232,188</u>
Total general support	<u>15,543,465</u>	<u>15,697,597</u>	<u>13,904,242</u>	<u>179,660</u>	<u>1,613,695</u>
INSTRUCTION:					
Instruction, administration, and improvement	4,682,646	4,665,422	4,301,845	434	363,143
Teaching - regular school	45,050,892	45,494,139	42,931,946	20,757	2,541,436
Programs for children with handicapping conditions	31,241,283	30,544,288	27,810,161	18,978	2,715,149
Teaching - special school	1,336,281	1,326,681	627,328	-	699,353
Occupational education	2,010,597	2,010,597	1,643,054	-	367,543
Instructional media	4,351,517	4,472,841	3,952,480	8,323	512,038
Pupil services	<u>6,543,388</u>	<u>6,609,720</u>	<u>5,707,627</u>	<u>9,504</u>	<u>892,589</u>
Total instruction	95,216,604	95,123,688	86,974,441	57,996	8,091,251
Pupil transportation	10,583,911	9,841,743	9,509,910	-	331,833
Community services	5,358	5,358	3,998	-	1,360
Employee benefits	31,567,951	31,082,451	29,507,068	-	1,575,383
Debt service - principal	2,694,979	2,754,979	2,694,978	-	60,001
Debt service - interest	<u>1,264,865</u>	<u>1,454,865</u>	<u>873,627</u>	<u>-</u>	<u>581,238</u>
Total expenditures	<u>156,877,133</u>	<u>155,960,681</u>	<u>143,468,264</u>	<u>237,656</u>	<u>12,254,761</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Transfers (to) other funds	<u>(878,015)</u>	<u>(1,828,015)</u>	<u>(1,722,660)</u>	<u>-</u>	<u>105,355</u>
Total other financing sources (uses)	<u>(878,015)</u>	<u>(1,828,015)</u>	<u>(1,722,660)</u>	<u>-</u>	<u>105,355</u>
Total expenditures and other financing sources (uses)	<u>157,755,148</u>	<u>157,788,696</u>	<u>145,190,924</u>	<u>\$ 237,656</u>	<u>\$ 12,360,116</u>
NET CHANGE IN FUND BALANCE	(14,291,002)	(14,291,009)	(718,480)		
FUND BALANCE - beginning of year	<u>50,421,549</u>	<u>50,421,549</u>	<u>50,421,549</u>		
FUND BALANCE - end of year	<u>\$ 36,130,547</u>	<u>\$ 36,130,540</u>	<u>\$ 49,703,069</u>		

The accompanying notes are an integral part of these schedules

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0298941%	0.0279618%	0.0303495%	0.0289311%	0.0266364%	0.0274966%	0.0278647%	0.0278647%
Proportionate share of the net pension liability (asset)	\$ 30	\$ 7,313	\$ 2,150	\$ 934	\$ 2,503	\$ 4,413	\$ 941	\$ 1,259
Covered-employee payroll	\$ 10,644	\$ 10,658	\$ 9,642	10,032	\$ 9,545	\$ 8,800	\$ 8,358	\$ 8,399
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	68.62%	22.30%	9.31%	26.22%	50.15%	11.26%	14.99%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.30%	98.20%	94.70%	90.68%	97.95%	97.20%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.3401790%	0.3372160%	0.3417980%	0.3426640%	0.3276540%	0.3292890%	0.3095890%	0.3130390%
Proportionate share of the net pension liability (asset)	\$ 9,400	\$ (8,761)	\$ (6,181)	\$ (2,605)	\$ 3,509	\$ (34,203)	\$ (34,781)	\$ (2,038)
Covered-employee payroll	\$ 58,507	\$ 56,961	\$ 56,417	54,301	\$ 50,560	\$ 49,464	\$ 43,690	\$ 46,017
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.07%	-15.38%	-10.96%	-4.80%	6.94%	-69.15%	-79.61%	-4.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

NOTE - This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 1,503	\$ 1,429	\$ 1,433	\$ 1,405	\$ 1,312	\$ 1,492	\$ 1,641	\$ 1,626	\$ 1,487	\$ 1,347
Contributions in relation to the contractually required contribution	1,503	1,429	1,433	1,405	1,312	1,492	1,641	1,626	1,487	1,347
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 10,644	\$ 10,549	\$ 9,969	\$ 10,128	\$ 9,462	\$ 8,578	\$ 8,358	\$ 8,399	\$ 8,202	\$ 8,756
Contributions as a percentage of covered-employee payroll	14.12%	13.55%	14.38%	13.88%	13.87%	17.39%	19.64%	19.36%	18.13%	15.39%

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 5,576	\$ 5,116	\$ 5,978	\$ 5,456	\$ 6,364	\$ 6,704	\$ 8,671	\$ 7,406	\$ 5,289	\$ 5,032
Contributions in relation to the contractually required contribution	5,576	5,116	5,978	5,456	6,364	6,704	8,671	7,406	5,289	5,032
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 58,507	\$ 57,739	\$ 56,961	\$ 56,417	\$ 54,301	\$ 50,560	\$ 49,464	\$ 43,690	\$ 46,017	\$ 46,299
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	10.49%	9.67%	11.72%	13.26%	17.53%	16.95%	11.49%	10.87%

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,**

	Last 10 Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 11,200,473	\$ 9,472,357	\$ 10,660,130	\$ 7,527,360
Interest on total OPEB liability	6,748,203	8,404,799	6,413,820	6,058,353
Effect of demographic gains or losses	(50,022,496)	-	38,253,579	-
Differences between expected and actual experience	-	-	-	24,889
Effect of assumptions changes or inputs	37,616,223	50,889,367	(22,460,618)	-
Benefit payments	(4,961,656)	(5,583,808)	(5,098,541)	(4,693,452)
Total change in total OPEB liability	<u>580,747</u>	<u>63,182,715</u>	<u>27,768,370</u>	<u>8,917,150</u>
Total OPEB liability - beginning	<u>296,615,380</u>	<u>233,432,665</u>	<u>205,664,295</u>	<u>196,747,145</u>
Total OPEB liability - ending	<u>\$ 297,196,127</u>	<u>\$ 296,615,380</u>	<u>\$ 233,432,665</u>	<u>\$ 205,664,295</u>
Covered-employee payroll	\$ 61,642,107	\$ 59,557,504	\$ 59,557,504	\$ 49,455,528
Total OPEB liability as a percentage of covered-employee payroll	482.13%	498.03%	391.95%	415.86%

Notes to schedule:

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

Discount rate	2.16%	2.21%	3.50%	3.00%
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Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

NOTE - This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

The accompanying notes are an integral part of these schedules.

OTHER INFORMATION

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND THE SECTION 1318 OF REAL PROPERTY TAX LIMIT (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 157,064,147
Add: Prior year's encumbrances	<u>691,001</u>
Original budget	157,755,148
Budget revisions	<u>33,548</u>
Final budget	<u><u>\$ 157,788,696</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget	\$ 168,777,798
Maximum allowed (4% of 2021-22 budget)	<u>\$ 6,751,112</u>
General fund, fund balance subject to section 1318 of real property tax law*:	
Unrestricted fund balance:	
Assigned fund balance	\$ 10,922,737
Unassigned fund balance	<u>7,327,092</u>
Total Unrestricted Fund Balance	<u>\$ 18,249,829</u>
Less:	
Appropriated fund balance	\$ 10,685,081
Encumbrances included in assigned fund balance	<u>237,656</u>
Total adjustments	<u>\$ 10,922,737</u>
General fund, fund balance subject to section 1318 of real property tax law	<u>\$ 7,327,092</u>
Actual percentage	4.34%

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

WESTBURY UNION FREE SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2021
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Window replacement - Drexel avenue	\$ 147,205	\$ 147,205	\$ 68,929	\$ -	\$ 68,929	\$ 78,276	\$ -	\$ -	\$ 147,205	\$ 147,205	\$ 78,276
Fire alarm systems - HS & MS	459,632	459,632	438,223	-	438,223	21,409	-	109,632	350,000	459,632	21,409
Playground and Gym floor - Powell's lane	327,500	327,500	212,065	-	212,065	115,435	-	-	327,500	327,500	115,435
Qualified zone academy bond projects	27,129,923	27,129,923	27,034,296	-	27,034,296	95,627	27,029,923	-	100,000	27,129,923	95,627
2004-2005 interfund transfers	100,000	100,000	99,433	-	99,433	567	-	-	100,000	100,000	567
2005-2006 interfund transfers	400,000	400,000	274,537	-	274,537	125,463	-	-	400,000	400,000	125,463
Transfer emergency projects - HS	578,920	578,920	494,291	-	494,291	84,629	-	-	578,920	578,920	84,629
Transfer emergency projects - MS	300,000	300,000	273,045	-	273,045	26,955	-	-	300,000	300,000	26,955
Transfer emergency projects - PA	650,000	650,000	839,650	-	839,650	(189,650)	-	-	650,000	650,000	(189,650)
Energy performance contract	3,811,350	3,811,350	3,801,349	-	3,801,349	10,001	3,811,350	-	-	3,811,350	10,001
2007-2009 interfund transfers	600,764	600,764	10,913	-	10,913	589,851	-	-	600,764	600,764	589,851
2009-2010 interfund transfers	250,000	250,000	249,802	-	249,802	198	-	-	250,000	250,000	198
Middle school masonry emergency project	2,263,060	2,263,060	1,323,140	-	1,323,140	939,920	-	193,060	2,070,000	2,263,060	939,920
2014-15 and 2015-16 Capital projects - Park avenue site work	825,000	825,000	825,000	-	825,000	-	-	75,000	750,000	825,000	-
HS Track resurfacing	112,610	112,610	112,610	-	112,610	-	-	112,610	-	112,610	-
HS Concession stand	176,940	176,940	160,662	(313)	160,349	16,591	-	176,940	-	176,940	16,591
HS Press box	210,450	210,450	210,405	-	210,405	45	-	210,450	-	210,450	45
2016-2017 interfund transfers	375,000	375,000	359,552	-	359,552	15,448	-	-	375,000	375,000	15,448
2017-2018 interfund transfers	375,000	375,000	447,046	-	447,046	(72,046)	-	-	375,000	375,000	(72,046)
High school renovations	18,925,000	18,925,000	17,356,054	835,701	18,191,755	733,245	18,942,843	-	336,800	19,279,643	1,087,888
Middle school renovations	39,670,000	39,670,000	9,572,738	12,499,458	22,072,196	17,597,804	39,707,403	-	-	39,707,403	17,635,207
Drexel auditorium	488,750	488,750	-	4,587	4,587	484,163	-	-	488,750	488,750	484,163
Park auditorium	451,250	451,250	-	5,250	5,250	446,000	-	-	551,250	551,250	546,000
Total	\$ 98,628,354	\$ 98,628,354	\$ 64,163,740	\$ 13,344,683	\$ 77,508,423	\$ 21,119,931	\$ 89,491,519	\$ 877,692	\$ 8,751,189	\$ 99,120,400	\$ 21,611,977

Add Unallocated interest income 44
Less DASNY grant not received (16,905)
\$ 21,595,116

WESTBURY UNION FREE SCHOOL DISTRICT

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

Capital assets, net	<u>\$ 73,722,248</u>
Deduct:	
Short-term portion of Serial Bonds Payable	2,230,000
Long-term portion of Serial Bonds Payable	51,390,000
Unamortized premium on Bonds Payable	5,750,246
Short-term portion of Energy Performance Contract	307,688
Long-term portion of Energy Performance Contract	<u>319,863</u>
	59,997,797
Add:	
Unspent proceeds from Bonds and Energy Performance Contract	<u>18,491,923</u>
	<u>41,505,874</u>
Net investment in capital assets	<u><u>\$ 32,216,374</u></u>

The accompanying notes are an integral part of these schedules.