

WESTBURY UNION FREE SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2023

WESTBURY UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Westbury Union Free School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westbury Union Free School District (the District), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that management's discussion and analysis and the additional required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 27, 2023

WESTBURY UNION FREE SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2023

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 year ended June 30, 2023 in comparison with the year ended 2022. 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.

FINANCIAL HIGHLIGHTS

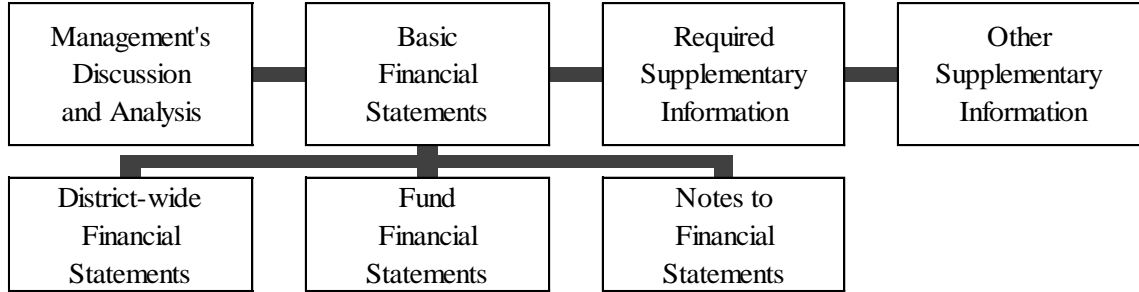
Key financial highlights for fiscal year 2023, are as follows:

- The District's total net position, as reflected in the District-Wide financial statements, decreased by \$6,596,211 to a deficit of \$169,460,283 based on the accrual basis of accounting. This decrease in net position is primarily the result of actuarial changes in amounts reported for pensions and other postemployment benefits (OPEB).
- The District's expenses for the year, as reflected in the District-Wide financial statements, totaled \$195,001,581. Of this amount, \$503,000 was offset by program charges for services and \$23,138,677 was offset by operating grants. General revenue of \$164,763,693 was 87.5% of total revenue.
- State aid revenue reflected in the District-Wide financial statements increased by \$11,831,427 to \$76,357,427 in 2023 from \$64,526,000 in 2022.
- The governmental funds' total fund balance, as reflected in the fund financial statements decreased by \$2,743,543 to \$64,990,234. This was primarily due to expenditures relating to capital projects.
- On May 16, 2023, the District's voters approved the 2023-24 proposed operating budget of \$196,700,453. The 2023-2024 property tax levy of \$78,218,042 was a decrease of 2.5%.
- 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, 2023, the District has funded \$12,500,000 to this reserve, and has earned interest of \$43,417.

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 other supplementary information. The basic financial statements consist of District-Wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:

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



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.

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.

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

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenue 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds, general fund, special aid fund, school food service 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's total net position decreased by \$6,596,211 between fiscal year 2023 and 2022. A summary of the District's statements of net position for June 30, 2023 and 2022 is as follows:

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

Condensed Statements of Net Position

| | <u>2023</u> | <u>2022</u> | <u>Increase (decrease)</u> | <u>Percentage change</u> |
|---|-------------------------|----------------------|--------------------------------|------------------------------|
| Current assets | \$ 82,058,208 | 83,442,384 | (1,384,176) | (1.7%) |
| Net pension assets - proportionate shares | - | 62,310,979 | (62,310,979) | (100.0%) |
| Capital assets, net | <u>97,864,764</u> | <u>92,043,189</u> | <u>5,821,575</u> | 6.3% |
| Total assets | <u>179,922,972</u> | <u>237,796,552</u> | <u>(57,873,580)</u> | (24.3%) |
| Deferred outflows of resources | <u>116,990,594</u> | <u>116,894,783</u> | <u>95,811</u> | 0.1% |
| Liabilities: | | | | |
| Current | 20,790,672 | 18,970,896 | 1,819,776 | 9.6% |
| Long-term liabilities | <u>338,748,826</u> | <u>314,607,258</u> | <u>24,141,568</u> | 7.7% |
| Total liabilities | <u>359,539,498</u> | <u>333,578,154</u> | <u>25,961,344</u> | 7.8% |
| Deferred inflows of resources | <u>106,834,351</u> | <u>183,977,253</u> | <u>(77,142,902)</u> | (41.9%) |
| Net position (deficit): | | | | |
| Net investment in capital assets | 39,457,112 | 34,200,978 | 5,256,134 | 15.4% |
| Restricted | 38,585,719 | 41,132,528 | (2,546,809) | (6.2%) |
| Unrestricted (deficit) | <u>(247,503,114)</u> | <u>(238,197,578)</u> | <u>(9,305,536)</u> | (3.9%) |
| Total net position (deficit) | <u>\$ (169,460,283)</u> | <u>(162,864,072)</u> | <u>(6,596,211)</u> | (4.1%) |

Current assets decreased by \$1,384,176, as compared to the prior year, which is primarily due to decreases in the District's cash and overall receivables.

Net pension assets - proportionate shares decreased \$62,310,979 due to actuarial changes as determined by New York State (NYS).

Capital assets (net of depreciation) increased by \$5,821,575, as compared to the prior year. This increase is due to capital additions exceeding depreciation expense.

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

Current and other liabilities increased by \$1,819,776, as compared to the prior year. This increase is primarily due to an increase in accounts payable amounts due NYS for pensions.

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

Long-term liabilities increased by \$24,141,568, as compared to the prior year. This increase is primarily the result of the net pension assets - proportionate shares becoming liabilities due to actuarial changes as determined by NYS.

Deferred inflows of resources decreased by \$77,142,902, primarily due to actuarial adjustments of the pension 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 and schedule of net investment in capital assets provides additional information.

The restricted amount at June 30, 2023, of \$38,585,719 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 \$9,305,536 during the year to a deficit position of \$247,503,114. The District's assets are not sufficient to cover unfunded liabilities such as the net OPEB obligation.

Changes in Net Position

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, 2023 and 2022 is as follows:

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

| | <u>2023</u> | <u>2022</u> | <u>Increase (decrease)</u> | <u>Percentage change</u> |
|---------------------------------------|-----------------------|--------------------|--------------------------------|------------------------------|
| Revenue: | | | | |
| Program revenue: | | | | |
| Charges for services | \$ 503,000 | 383,737 | 119,263 | 31.1% |
| Operating grants | 23,138,677 | 17,504,748 | 5,633,929 | 32.2% |
| General revenue: | | | | |
| Property and STAR and other tax items | 84,127,539 | 85,706,060 | (1,578,521) | (1.8%) |
| State sources | 76,357,427 | 64,526,000 | 11,831,427 | 18.3% |
| Other | <u>4,278,727</u> | <u>3,138,182</u> | <u>1,140,545</u> | 36.3% |
| Total revenue | <u>188,405,370</u> | <u>171,258,727</u> | <u>17,146,643</u> | 10.0% |
| Expenses: | | | | |
| General support | 25,348,837 | 18,531,830 | 6,817,007 | 36.8% |
| Instruction | 152,690,641 | 135,133,974 | 17,556,667 | 13.0% |
| Pupil transportation | 11,196,938 | 10,032,476 | 1,164,462 | 11.6% |
| Community services | 17,679 | 100,691 | (83,012) | (82.4%) |
| Debt service - interest | 1,509,663 | 1,800,911 | (291,248) | (16.2%) |
| Food service program | <u>4,237,823</u> | <u>3,989,050</u> | <u>248,773</u> | 6.2% |
| Total expenses | <u>195,001,581</u> | <u>169,588,932</u> | <u>25,412,649</u> | 15.0% |
| Change in net position | <u>\$ (6,596,211)</u> | <u>1,669,795</u> | <u>(8,266,006)</u> | (495.0%) |

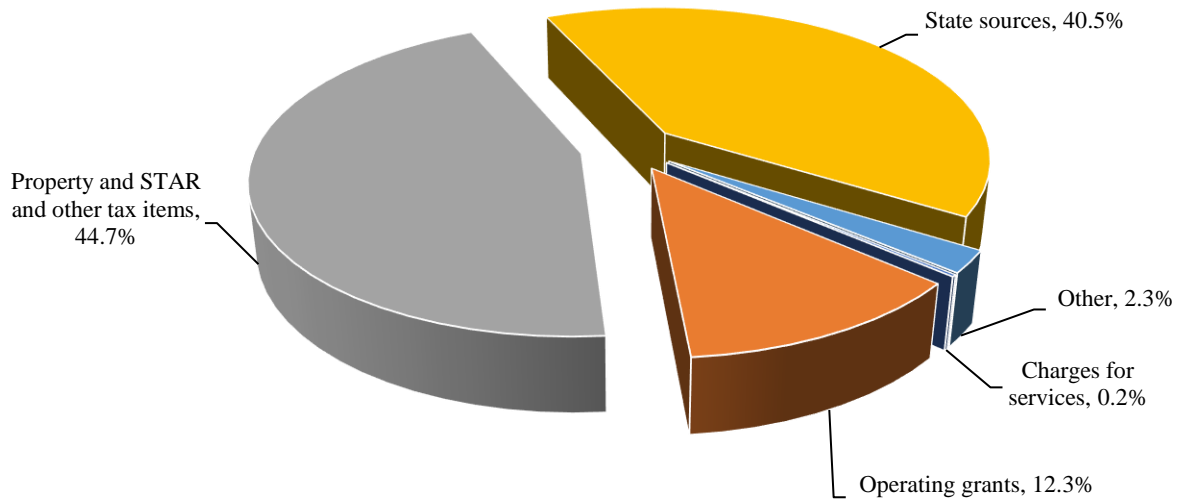
The District's total revenue increased by \$17,146,643 in 2023 or 10.0%. The major factors that contributed to the increase were:

- Operating grants increased by \$5,633,929 or 32.2% due to increased Federal aid.
- State sources increased by \$11,831,427 or 18.3% as a result of the District receiving increased general state aid.

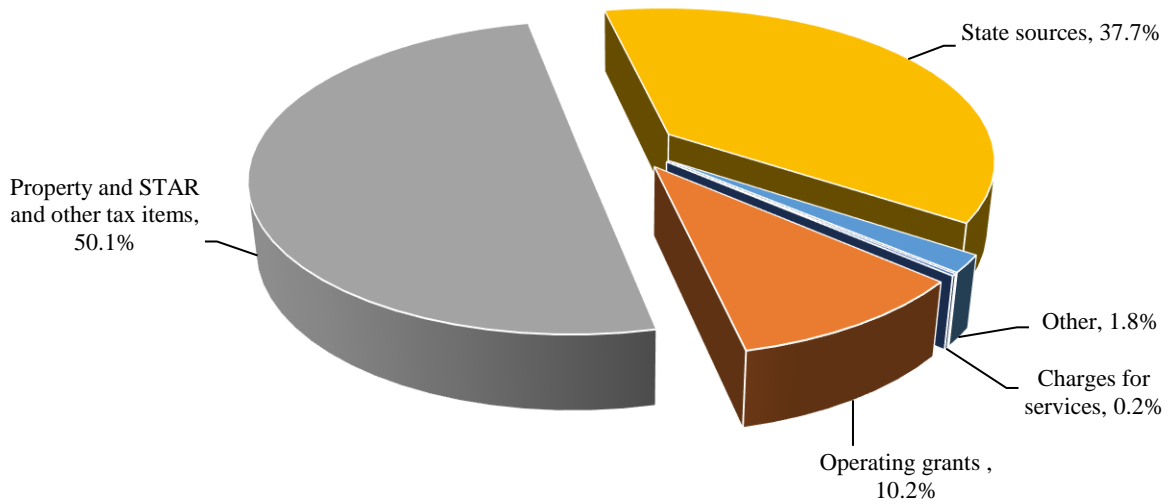
The District's expenses for the year increased by \$25,412,649 or 15.0%. This increase was primarily due to the impact of the net changes in the actuarially determined liabilities for pensions and OPEB.

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

Sources of Revenue 2022 - 2023

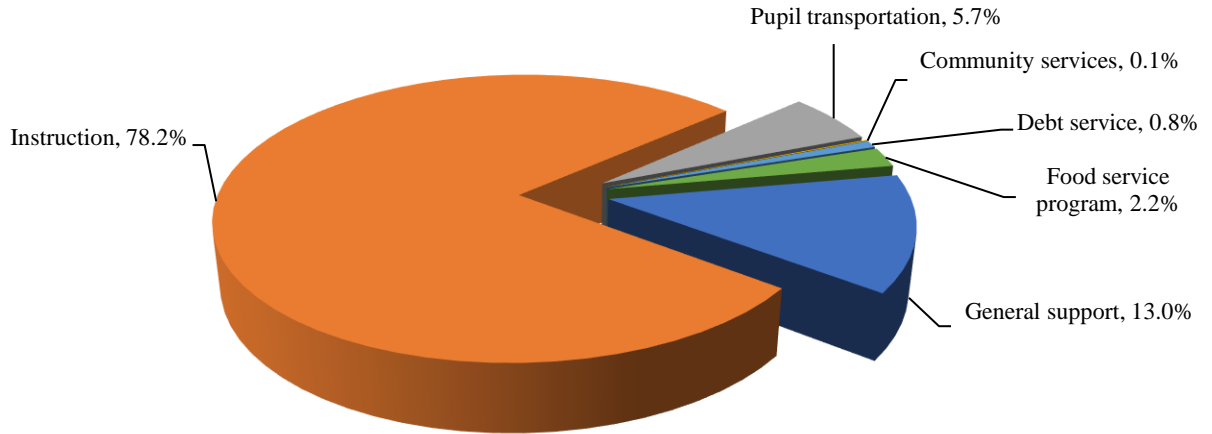


Sources of Revenue 2021 - 2022

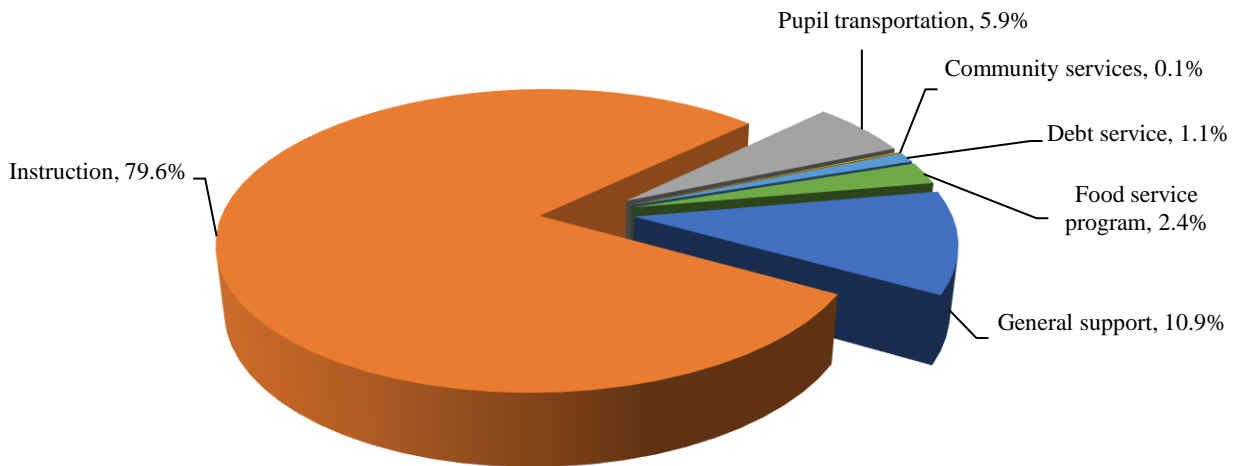


WESTBURY UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Sources of Expenses 2022 - 2023



Sources of Expenses 2021 - 2022



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

As of June 30, 2023, the District's combined governmental funds reported a total fund balance of \$64,990,234, which is a decrease of \$2,743,543 from the prior year.

A summary of the change in fund balance for all funds as of June 30, 2023 and 2022 is as follows:

| | <u>2023</u> | <u>2022</u> | <u>Increase (decrease)</u> | <u>Percentage change</u> |
|---|----------------------|-------------------|--------------------------------|------------------------------|
| General fund: | | | | |
| Restricted: | | | | |
| Workers' compensation | \$ 3,792,066 | 3,792,066 | - | 0.0% |
| Unemployment insurance | 431,159 | 431,159 | - | 0.0% |
| Employee benefit accrued liability | 8,139,759 | 8,139,759 | - | 0.0% |
| Retirement contribution - ERS | 4,872,995 | 6,286,326 | (1,413,331) | (22.5%) |
| Retirement contribution - TRS | 3,777,086 | 3,777,086 | - | 0.0% |
| Insurance | 450,428 | 450,428 | - | 0.0% |
| Capital | 3,370,433 | 8,666,617 | (5,296,184) | (61.1%) |
| Repairs | - | 21,316 | (21,316) | (100.0%) |
| Property loss | 450,449 | 450,449 | - | 0.0% |
| Liability | <u>438,832</u> | <u>438,832</u> | - | 0.0% |
| Total restricted | <u>25,723,207</u> | <u>32,454,038</u> | <u>(6,730,831)</u> | <u>(20.7%)</u> |
| Assigned: | | | | |
| Encumbrances | 177,118 | 270,370 | (93,252) | (34.5%) |
| Designated for subsequent year's expenditures | <u>10,800,000</u> | <u>10,800,000</u> | - | 0.0% |
| Total assigned | <u>10,977,118</u> | <u>11,070,370</u> | <u>(93,252)</u> | <u>(0.8%)</u> |
| Unassigned | <u>7,868,018</u> | <u>6,970,616</u> | <u>897,402</u> | <u>12.9%</u> |
| Total general fund | <u>44,568,343</u> | <u>50,495,024</u> | <u>(5,926,681)</u> | <u>(11.7%)</u> |
| School food service fund: | | | | |
| Nonspendable | 71,056 | 112,314 | (41,258) | 100.0% |
| Assigned | <u>2,755,886</u> | <u>4,830,279</u> | <u>(2,074,393)</u> | <u>(42.9%)</u> |
| Total school food service fund | <u>2,826,942</u> | <u>4,942,593</u> | <u>(2,115,651)</u> | <u>(42.8%)</u> |
| Debt service fund - restricted | <u>167,190</u> | <u>167,190</u> | - | 0.0% |
| Miscellaneous special revenue fund - restricted | <u>73,874</u> | <u>85,883</u> | <u>(12,009)</u> | <u>(14.0%)</u> |
| Capital projects fund: | | | | |
| Restricted | 12,621,448 | 8,425,417 | 4,196,031 | 49.8% |
| Assigned | <u>4,732,437</u> | <u>3,617,670</u> | <u>1,114,767</u> | <u>100.0%</u> |
| Total capital projects fund | <u>17,353,885</u> | <u>12,043,087</u> | <u>5,310,798</u> | <u>44.1%</u> |
| Total fund balance - all funds | <u>\$ 64,990,234</u> | <u>67,733,777</u> | <u>(2,743,543)</u> | <u>(4.1%)</u> |

The general fund's restricted fund balances decreased by \$6,730,831, primarily as a result of transfers to the capital projects fund for voter approved projects. Assigned fund balance includes encumbrances and an amount designated for the 2023-2024 fiscal year's expenditures. Total assigned fund balance decreased by \$93,252 due to a decrease in encumbrances.

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

The general fund's unassigned fund balance increased by \$897,402 to \$7,868,018.

The net change in the school food service fund is a decrease of \$2,115,651, which represents the fund's operating deficit for the year ended June 30, 2023.

The fund balance in the capital projects fund increased by \$5,310,798. This increase is a result of transfers in from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

2022-2023 Budget

The District's general fund adopted budget for the year ended June 30, 2023 was \$175,085,809. This amount was increased by encumbrances carried forward from the prior year in the amount of \$270,370 and additional revenue of \$369 resulting in a final budget of \$175,356,548.

The budget was funded through a combination of revenue and appropriated fund balance. The majority of this funding source was \$80,270,468 in property taxes and STAR, and \$76,357,427 in State aid.

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 revenue 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 revenue and expenditures for the year compared to budget follows:

| | |
|--|---------------------|
| Opening, unassigned fund balance | \$ 6,970,616 |
| Revenue over budget | 4,661,523 |
| Expenditures and encumbrances under budget | 11,610,752 |
| Other financing uses under budget | (7,455,704) |
| Change in restricted funds | 6,730,831 |
| Appropriated reserves not used | (3,850,000) |
| Appropriated for June 30, 2024 budget | <u>(10,800,000)</u> |
| Closing, unassigned fund balance | \$ <u>7,868,018</u> |

Opening, Unassigned Fund Balance

The \$6,970,616 shown in the table is the portion of the District's June 30, 2022, fund balance that was retained as unassigned. This was 3.98% of the District's 2022-2023 approved operating budget, which was less than the maximum 4.0% unassigned fund balance permitted by New York State Real Property Tax Law §1318.

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

Revenue Over Budget

The 2022-2023 final budget for revenue was \$160,436,178. The actual revenue recognized for the year was \$165,097,701. The actual revenue over budgeted revenue was \$4,661,523. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2022 to June 30, 2023.

Expenditures and Encumbrances Under Budget

The 2022-2023 final budget for expenditures, including prior year encumbrances was \$172,026,548. The actual expenditures and encumbrances were \$160,415,796. The final budget was under expended by \$11,610,152. 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, 2022 to June 30, 2023.

Other Financing Uses Under Budget

The 2022-2023 final budget for other operating uses was \$3,330,000. Actual other financing uses was \$10,785,704, which was \$7,455,704 more than budgeted. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2022 to June 30, 2023.

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 \$3,000,000 from the retirement contribution reserve, \$375,000 from the employee benefit accrued liability reserve, and \$475,000 from the workers' compensation reserve to partially fund its 2022-2023 budget. Actual expenditures were lower than budgeted; as a result, the District did not need to use \$3,850,000 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, 2024 Budget

The District has chosen to use \$10,800,000 of its available June 30, 2023 fund balance to partially fund its 2023-2024 approved operating budget.

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

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2023-2024 fiscal year with an unassigned fund balance of \$7,868,018. This is an increase of \$897,402 from the unassigned fund balance from the prior year as of June 30, 2022. The unassigned portion is 4.00% of the 2023-2024 budget, which equals the maximum 4.00% unassigned fund balance permitted by New York State Real Property Tax Law §1318.

Capital Assets

At June 30, 2023, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions in excess of depreciation expense for the year ended June 30, 2023. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2023 and 2022, is as follows:

Capital Assets (Net of Depreciation)

| | <u>2023</u> | <u>2022</u> | Increase (decrease) |
|------------------------------------|----------------------|-------------------|------------------------|
| Land | \$ 385,000 | 385,000 | - |
| Construction in process | 50,826,930 | 62,369,824 | (11,542,894) |
| Buildings | 44,442,292 | 29,824,360 | 14,617,932 |
| Improvements | 648,561 | (1,512,632) | 2,161,193 |
| Vehicles, furniture, and equipment | <u>1,561,981</u> | <u>976,637</u> | <u>585,344</u> |
| Capital assets, net | \$ <u>97,864,764</u> | <u>92,043,189</u> | <u>5,821,575</u> |

Debt Administration

At June 30, 2023, the District had total bonds payable of \$48,775,000 and a letter of credit of \$7,549,737, as follows:

| <u>Description of Issue</u> | Original Issue Date | Interest Rate | <u>2023</u> | <u>2022</u> | Increase (decrease) |
|-----------------------------|---------------------------|------------------|----------------------|-------------------|------------------------|
| Serial Bond | 8/1/2013 | 2.00% - 3.00% | \$ <u>680,000</u> | <u>890,000</u> | <u>(210,000)</u> |
| Serial Bond | 4/1/2021 | 2.00% - 5.00% | \$ <u>48,095,000</u> | <u>50,500,000</u> | <u>(2,405,000)</u> |
| Energy Performance Contract | 9/2006 | 3.92% | \$ - | <u>319,682</u> | <u>(319,682)</u> |
| Letter of Credit | 12/2021 | 1.68% | \$ <u>7,549,737</u> | <u>7,979,500</u> | <u>(429,763)</u> |

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

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

Other Long-Term Liabilities

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

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 16, 2023, for the year ending June 30, 2024, is \$196,700,453. This is an increase of \$21,614,644 or 12.3% over the previous year's budget.

The District budgeted revenue, other than property taxes and STAR, at a \$25,214,644 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 which is consistent with the previous year. Additionally, the District has elected to appropriate \$1,000,000 of the ERS retirement contribution reserve; \$1,000,000 of the TRS retirement contribution reserve; \$125,000 of the workers' compensation reserve; and \$125,000 of the employee benefit accrued liability reserve towards the next year's budget. These funding pieces resulted in a tax levy of \$78,218,042.

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 \$80,639,617. The District's tax levy for the 2023-24 fiscal year is within the limits established by state law.

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, New York 11568-1624

WESTBURY UNION FREE SCHOOL DISTRICT
Statement of Net Position
Governmental Activities
June 30, 2023

Assets

| | |
|----------------------------|--------------------|
| Cash and equivalents: | |
| Unrestricted | \$ 15,187,641 |
| Restricted | 48,430,590 |
| Receivables: | |
| Accounts receivable | 4,756,775 |
| State and Federal aid | 11,870,741 |
| Due from other governments | 1,741,405 |
| Inventory | 71,056 |
| Capital assets, net | <u>97,864,764</u> |
| Total assets | <u>179,922,972</u> |

Deferred outflows of resources

| | |
|--------------------------------------|--------------------|
| Pensions | 39,837,433 |
| OPEB | <u>77,153,161</u> |
| Total deferred outflows of resources | <u>116,990,594</u> |

Liabilities

| | |
|--|--------------------|
| Current liabilities: | |
| Accounts payable | 6,693,754 |
| Accrued liabilities | 2,167,553 |
| Accrued interest | 77,661 |
| Due to other governments | 65,314 |
| Due to teachers' retirement system | 7,507,995 |
| Due to employees' retirement system | 445,841 |
| Collections in advance | 187,517 |
| Long-term liabilities: | |
| Due and payable within one year | 3,645,037 |
| Bond payable, net of current portion | 45,920,000 |
| Bonds premium, net of current portion | 4,887,710 |
| Letter of credit, net of current portion | 7,047,212 |
| Compensated absences, net of current portion | 6,989,949 |
| Workers' compensation | 2,433,397 |
| Net pension liabilities - proportionate shares | 12,707,505 |
| OPEB liability | <u>258,763,053</u> |
| Total liabilities | <u>359,539,498</u> |

Deferred inflows of resources

| | |
|-------------------------------------|--------------------|
| Pensions | 3,606,349 |
| OPEB | <u>103,228,002</u> |
| Total deferred inflows of resources | <u>106,834,351</u> |

Net position

| | |
|----------------------------------|-------------------------|
| Net investment in capital assets | 39,457,112 |
| Restricted | 38,585,719 |
| Unrestricted (deficit) | <u>(247,503,114)</u> |
| Total net position (deficit) | <u>\$ (169,460,283)</u> |

See accompanying notes to financial statements.

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

| | | Program Revenue | | |
|---|-----------------|-------------------------------------|-----------------------------|--|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants</u> | <u>Net Expense and Changes in Net Position</u> |
| Functions and programs: | | | | |
| General support | \$ 25,348,837 | - | - | (25,348,837) |
| Instruction | 152,690,641 | 357,333 | 18,654,154 | (133,679,154) |
| Pupil transportation | 11,196,938 | - | - | (11,196,938) |
| Community services | 17,679 | - | - | (17,679) |
| Debt service - interest | 1,509,663 | - | - | (1,509,663) |
| Food service program | 4,237,823 | 145,667 | 4,484,523 | 392,367 |
| Total functions and programs | \$ 195,001,581 | 503,000 | 23,138,677 | (171,359,904) |
| General revenue: | | | | |
| Real property taxes | | | | 75,386,235 |
| STAR and other real property tax items | | | | 8,741,304 |
| Use of money and property | | | | 638,855 |
| Sale of property and compensation for loss | | | | 31,129 |
| State sources | | | | 76,357,427 |
| Medicaid reimbursement | | | | 1,010,267 |
| Miscellaneous | | | | 2,598,476 |
| Total general revenue | | | | 164,763,693 |
| Change in net position | | | | (6,596,211) |
| Net position (deficit) at beginning of year | | | | (162,864,072) |
| Net position (deficit) at end of year | | | | \$ (169,460,283) |

See accompanying notes to financial statements.

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

| | <u>General</u> | <u>Special Aid</u> | <u>School Food Service</u> | <u>Debt Service</u> | <u>Miscellaneous</u> | <u>Capital Projects</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|----------------------|------------------------|--------------------------------|-------------------------|----------------------|-----------------------------|---|
| <u>Assets</u> | | | | | | | |
| Cash and equivalents: | | | | | | | |
| Unrestricted | \$ 12,312,935 | 225,058 | 1,546,294 | - | - | 1,103,354 | 15,187,641 |
| Restricted | 45,153,702 | - | - | - | 78,824 | 3,198,064 | 48,430,590 |
| Receivables: | | | | | | | |
| Tax receivable | 2,597,602 | - | - | - | - | - | 2,597,602 |
| State and Federal aid | 2,771,877 | 8,818,819 | 280,045 | - | - | - | 11,870,741 |
| Due from other governments | 1,741,405 | - | - | - | - | - | 1,741,405 |
| Due from other funds | 8,664,050 | 1,219,406 | 3,012,338 | 167,190 | 1,200 | 14,818,303 | 27,882,487 |
| Other receivables | 1,317,335 | - | 841,838 | - | - | - | 2,159,173 |
| Inventory | - | - | 71,056 | - | - | - | 71,056 |
| Total assets | <u>\$ 74,558,906</u> | <u>10,263,283</u> | <u>5,751,571</u> | <u>167,190</u> | <u>80,024</u> | <u>19,119,721</u> | <u>109,940,695</u> |
| <u>Liabilities and Fund Balances</u> | | | | | | | |
| <u>Liabilities:</u> | | | | | | | |
| Accounts payable | 4,014,865 | 914,782 | 152,259 | - | 6,150 | 1,605,698 | 6,693,754 |
| Accrued liabilities | 2,054,052 | 65,784 | 47,717 | - | - | - | 2,167,553 |
| Due to other governments | - | 65,284 | 30 | - | - | - | 65,314 |
| Due to other funds | 15,967,810 | 9,122,507 | 2,632,032 | - | - | 160,138 | 27,882,487 |
| Due to teachers' retirement system | 7,507,995 | - | - | - | - | - | 7,507,995 |
| Due to employees' retirement system | 445,841 | - | - | - | - | - | 445,841 |
| Collections in advance | - | 94,926 | 92,591 | - | - | - | 187,517 |
| Total liabilities | <u>29,990,563</u> | <u>10,263,283</u> | <u>2,924,629</u> | <u>-</u> | <u>6,150</u> | <u>1,765,836</u> | <u>44,950,461</u> |
| <u>Fund balances:</u> | | | | | | | |
| Nonspendable | - | - | 71,056 | - | - | - | 71,056 |
| Restricted | 25,723,207 | - | - | 167,190 | 73,874 | 12,621,448 | 38,585,719 |
| Assigned | 10,977,118 | - | 2,755,886 | - | - | 4,732,437 | 18,465,441 |
| Unassigned | 7,868,018 | - | - | - | - | - | 7,868,018 |
| Total fund balances | <u>44,568,343</u> | <u>-</u> | <u>2,826,942</u> | <u>167,190</u> | <u>73,874</u> | <u>17,353,885</u> | <u>64,990,234</u> |
| Total liabilities and fund balances | <u>\$ 74,558,906</u> | <u>10,263,283</u> | <u>5,751,571</u> | <u>167,190</u> | <u>80,024</u> | <u>19,119,721</u> | <u>109,940,695</u> |

See accompanying notes to financial statements.

WESTBURY UNION FREE SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

| | |
|--|-------------------------|
| Total governmental fund balances | \$ 64,990,234 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 97,864,764 |
| Pension related government-wide activity: | |
| Deferred outflows of resources | 39,837,433 |
| Net pension liabilities - proportionate shares | (12,707,505) |
| Deferred inflows of resources | (3,606,349) |
| OPEB related government-wide activity: | |
| Deferred outflows of resources | 77,153,161 |
| Total OPEB liability | (258,763,053) |
| Deferred inflows of resources | (103,228,002) |
| Long-term debt is not due and payable in the current period, and, therefore, are not reported in the funds. | (61,499,959) |
| 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. | (9,423,346) |
| Interest payable at year end is recorded in the government-wide statements under full accrual accounting. | <u>(77,661)</u> |
| Total net position (deficit) at end of year | <u>\$ (169,460,283)</u> |

See accompanying notes to financial statements.

WESTBURY UNION FREE SCHOOL DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2023

| | <u>General</u> | <u>Special Aid</u> | <u>School Food Service</u> | <u>Debt Service</u> | <u>Miscellaneous</u> | <u>Capital Projects</u> | <u>Total Governmental Funds</u> |
|--|----------------------|------------------------|--------------------------------|-------------------------|----------------------|-----------------------------|---|
| Revenue: | | | | | | | |
| Real property taxes | \$ 75,386,235 | - | - | - | - | - | 75,386,235 |
| School tax relief reimbursement | 4,884,233 | - | - | - | - | - | 4,884,233 |
| Other real property tax items | 3,857,071 | - | - | - | - | - | 3,857,071 |
| Charges for services | 652,333 | - | - | - | - | - | 652,333 |
| Use of money and property | 621,469 | - | - | - | 111 | 17,275 | 638,855 |
| Sale of property and compensation for loss | 31,129 | - | - | - | - | - | 31,129 |
| Miscellaneous | 2,272,959 | 51,826 | 3,677 | - | 180,014 | 90,000 | 2,598,476 |
| Interfund | 24,578 | - | - | - | - | - | 24,578 |
| State aid | 76,357,427 | 4,192,682 | 79,462 | - | - | - | 80,629,571 |
| Medicaid reimbursement | 1,010,267 | - | - | - | - | - | 1,010,267 |
| Federal aid | - | 14,461,472 | 4,060,369 | - | - | - | 18,521,841 |
| Surplus food | - | - | 344,692 | - | - | - | 344,692 |
| Sales - school lunch | - | - | 145,667 | - | - | - | 145,667 |
| Total revenue | <u>165,097,701</u> | <u>18,705,980</u> | <u>4,633,867</u> | <u>-</u> | <u>180,125</u> | <u>107,275</u> | <u>188,724,948</u> |
| Expenditures: | | | | | | | |
| General support | 14,938,162 | 4,799,345 | - | - | - | - | 19,737,507 |
| Instruction | 96,961,347 | 13,340,802 | - | - | 192,134 | - | 110,494,283 |
| Pupil transportation | 10,193,178 | 644,565 | - | - | - | - | 10,837,743 |
| Community services | - | 17,679 | - | - | - | - | 17,679 |
| School lunch program | - | - | 4,149,082 | - | - | - | 4,149,082 |
| Employee benefits | 32,908,580 | 371,793 | 100,436 | - | - | - | 33,380,809 |
| Debt service - principal | 3,364,625 | - | - | - | - | - | 3,364,625 |
| Debt service - interest | 1,872,786 | - | - | - | - | - | 1,872,786 |
| Capital outlay | - | - | - | - | - | 7,613,977 | 7,613,977 |
| Total expenditures | <u>160,238,678</u> | <u>19,174,184</u> | <u>4,249,518</u> | <u>-</u> | <u>192,134</u> | <u>7,613,977</u> | <u>191,468,491</u> |
| Excess (deficiency) of revenue over expenditures | <u>4,859,023</u> | <u>(468,204)</u> | <u>384,349</u> | <u>-</u> | <u>(12,009)</u> | <u>(7,506,702)</u> | <u>(2,743,543)</u> |
| Other financing sources (uses): | | | | | | | |
| Operating transfers in | - | 468,204 | - | - | - | 12,817,500 | 13,285,704 |
| Operating transfers (out) | <u>(10,785,704)</u> | <u>-</u> | <u>(2,500,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(13,285,704)</u> |
| Total other financing sources (uses) | <u>(10,785,704)</u> | <u>468,204</u> | <u>(2,500,000)</u> | <u>-</u> | <u>-</u> | <u>12,817,500</u> | <u>-</u> |
| Changes in fund balances | (5,926,681) | - | (2,115,651) | - | (12,009) | 5,310,798 | (2,743,543) |
| Fund balances at beginning of year | <u>50,495,024</u> | <u>-</u> | <u>4,942,593</u> | <u>167,190</u> | <u>85,883</u> | <u>12,043,087</u> | <u>67,733,777</u> |
| Fund balances at end of year | <u>\$ 44,568,343</u> | <u>-</u> | <u>2,826,942</u> | <u>167,190</u> | <u>73,874</u> | <u>17,353,885</u> | <u>64,990,234</u> |

See accompanying notes to financial statements.

WESTBURY UNION FREE SCHOOL DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2023

| | |
|--|-----------------------|
| Net change in fund balances | \$ (2,743,543) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Long-Term Revenue and Expense Differences: | |
| In the statement of activities, certain operating expenses 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: | |
| Compensated absences | (35,644) |
| Workers' compensation | 43,296 |
| Other postemployment benefits expense resulting from related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities. | (10,446,824) |
| Pension expense resulting from related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities. | (2,667,819) |
| Certain 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. | (295,000) |
| Capital Related Items: | |
| Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position. | 8,386,602 |
| Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities. | (2,565,027) |
| Long-Term Debt Transactions: | |
| 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: | 75,611 |
| Repayment of 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. | 3,364,625 |
| Proceeds of bond premiums are recorded as other sources in the governmental funds, but are recorded as liabilities in the statement of net position. | <u>287,512</u> |
| Change in net position of governmental activities | <u>\$ (6,596,211)</u> |

See accompanying notes to financial statements.

WESTBURY UNION FREE SCHOOL DISTRICT
Statement of Change in Fiduciary Net Position
Fiduciary Fund
Year ended June 30, 2023

| | Custodial Fund |
|--|--------------------|
| Additions - taxes collected on behalf of other governments | \$ 2,413,545 |
| Deductions - taxes paid to other governments | <u>2,413,545</u> |
| Change in net position | - |
| Net position at beginning of year | <u>-</u> |
| Net position at end of year | <u><u>\$ -</u></u> |

See accompanying notes to financial statements.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2023

(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:

(a) Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the Board). The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and oversees all activities related to public school education within the District. The Board 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 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Reporting Entity, 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.

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) 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 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 fund:

Fiduciary Fund:

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

(c) 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus and Basis of Accounting, Continued

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

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. Revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within 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.

(d) Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenue 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents

The District's cash and 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.

(f) 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.

(g) 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.

(h) 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.

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.

(i) Interfund Transactions

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Interfund Transactions, Continued

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 revenue activity is provided subsequently in these notes to financial statements.

(j) 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 | Straight-line | 20-50 years |
| Machinery and equipment | 2,500 | Straight-line | 5-20 years |

(k) Deferred Outflows of Resources

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, the net difference between projected and actual investment earnings on pension plan investments, changes in proportion and differences between contributions and proportionate share of contributions and the District's contributions to the pension systems subsequent to the measurement date. The second item is related to the total other postemployment liability (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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) 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 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 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 second item is related to 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.

(m) 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 revenue is recognized in subsequent periods when the District has legal claim to the resources.

(n) 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. 101 - "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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) 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.

(p) Real Property Taxes

Real property taxes are levied annually by the Board no later than August 15th and become a lien on October 1st and April 1st. Taxes are collected by the 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 (the 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.

(q) Payments In Lieu of Taxes

The District reports payments in lieu of taxes (PILOT) revenue in the general fund as other tax items revenue. These PILOT revenue is 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.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(q) Payments In Lieu of Taxes, Continued

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 revenue.

The District's PILOT revenue 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 revenue promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments.

(r) 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.

(s) Short-Term Debt

The District may issue revenue anticipation notes (RAN) and tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(t) 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.

(u) 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.

Nonspendable 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. Nonspendable 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classification, Continued

The District has established the following restricted fund balances:

Reserve for Workers' Compensation

According to General Municipal Law (GML) §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 GML §6-m, this reserve 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 60 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 GML §6-p, this reserve 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classification, Continued

Retirement Contribution Reserve

According to GML §6-r, this reserve 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. 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 GML §6-r. These reserves are accounted for in the general fund.

Insurance Reserve

According to GML §6-n, this reserve 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).

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

According to Education Law §3651, this reserve 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.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classification, Continued

Repairs Reserve

According to GML §6-d, this reserve is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board 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 Reserves

According to Education Law §1709(8) (c), these reserves 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.

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 or (b) a body (budget or finance committee, for example) or official to which the Board 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classification, Continued

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 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 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.

The Board 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 upon their affirmative vote on the resolution adopting the tax levy for said subsequent fiscal year.

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.

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(v) Subsequent Events

The District has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) 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 revenue, 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 revenue only when they are considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities, thereby affecting expenses such as compensated absences and OPEB.

- Employee Benefit Allocation - Expenditures for employee benefits are not allocated to a specific function on the statement of revenue, expenditures and changes in fund balances. 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 systems, and District contributions to the pension systems subsequent to the measurement date.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

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

- 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.

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.

(3) Stewardship, Compliance and Accountability

(a) Budgets

The District administration prepares a proposed budget for approval by the Board 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 approve 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 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.

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(3) Stewardship, Compliance and Accountability, Continued

(a) Budgets, Continued

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.

(b) Encumbrances

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

(c) Unassigned Fund Balance

The District's general fund unassigned fund balance was at 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.

(4) 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:

- Uncollateralized,
- Collateralized by securities held by the pledging financial institution, or
- 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.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(4) Deposits With Financial Institutions and Investments, Continued

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.

(5) Participation in BOCES

During the year ended June 30, 2023, the District was billed \$21,781,496 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$3,869,788. 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.

(6) Due From State and Federal

Due from state and federal at June 30, 2023 consisted of:

General fund:

| | |
|----------------------------------|------------------|
| New York State - general aid | \$ 1,467,384 |
| New York State - excess cost aid | <u>1,304,493</u> |
| Total general fund | 2,771,877 |

Special aid fund - Federal and state grants 8,818,819

School food service fund - Federal and state food service reimbursements 280,045

Total \$ 11,870,741

District management expects these amounts to be fully collectible.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Capital Assets

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Adjustments/ Reclassifications</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 385,000 | - | - | 385,000 |
| Construction in progress | <u>62,369,824</u> | <u>7,613,977</u> | <u>(19,156,871)</u> | <u>50,826,930</u> |
| Total capital assets not being depreciated | <u>62,754,824</u> | <u>7,613,977</u> | <u>(19,156,871)</u> | <u>51,211,930</u> |
| Capital assets being depreciated: | | | | |
| Improvements other than buildings | 1,975,145 | - | - | 1,975,145 |
| Buildings and improvements | 73,426,623 | 19,156,871 | - | 92,583,494 |
| Furniture, equipment and vehicles | <u>4,026,680</u> | <u>772,625</u> | <u>(62,645)</u> | <u>4,736,660</u> |
| Total capital assets being depreciated | <u>79,428,448</u> | <u>19,929,496</u> | <u>(62,645)</u> | <u>99,295,299</u> |
| Less accumulated depreciation: | | | | |
| Improvements other than buildings | 3,487,777 | 61,542 | (2,222,735) | 1,326,584 |
| Buildings and improvements | 43,602,263 | 2,316,204 | 2,222,735 | 48,141,202 |
| Furniture, equipment and vehicles | <u>3,050,043</u> | <u>187,281</u> | <u>(62,645)</u> | <u>3,174,679</u> |
| Total accumulated depreciation | <u>50,140,083</u> | <u>2,565,027</u> | <u>(62,645)</u> | <u>52,642,465</u> |
| Total capital assets, being depreciated, net | <u>29,288,365</u> | <u>17,364,469</u> | <u>-</u> | <u>46,652,834</u> |
| Total governmental activities, net | <u>\$ 92,043,189</u> | <u>24,978,446</u> | <u>(19,156,871)</u> | <u>97,864,764</u> |

Depreciation expense for the year ended June 30, 2023, was allocated to specific functions as follows:

| | |
|-----------------------------|---------------------|
| General support | \$ 33,734 |
| Instruction | 2,482,423 |
| Pupil transportation | 8,635 |
| School food service program | <u>40,235</u> |
| Total depreciation | <u>\$ 2,565,027</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(8) Interfund Transactions

| | <u>Interfund</u> | | <u>Interfund</u> | |
|--------------------------|----------------------|-------------------|-------------------|---------------------|
| | <u>Receivable</u> | <u>Payable</u> | <u>Revenue</u> | <u>Expenditures</u> |
| General fund | \$ 8,664,050 | 15,967,810 | - | 10,785,704 |
| Special aid fund | 1,219,406 | 9,122,507 | 468,204 | - |
| School food service fund | 3,012,338 | 2,632,032 | - | 2,500,000 |
| Debt service fund | 167,190 | - | - | - |
| Miscellaneous fund | 1,200 | - | - | - |
| Capital projects fund | <u>14,818,303</u> | <u>160,138</u> | <u>12,817,500</u> | <u>-</u> |
| Totals | <u>\$ 27,882,487</u> | <u>27,882,487</u> | <u>13,285,704</u> | <u>13,285,704</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.

(9) Short-Term Debt

The District had no short-term debt transactions for the year ended June 30, 2023.

(10) Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2023 are summarized below:

| | <u>Beginning</u> | | | <u>Ending</u> | <u>Due Within</u> |
|-------------------------------|-----------------------|-------------------|------------------|--------------------|-------------------|
| | <u>Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance</u> | <u>One Year</u> |
| Government activities: | | | | | |
| Bonds and notes payable: | | | | | |
| Serial bonds | \$ 51,390,000 | - | 2,615,000 | 48,775,000 | 2,855,000 |
| Unamortized bond premium | 5,462,734 | - | 287,512 | 5,175,222 | 287,512 |
| Energy performance contract | 319,862 | - | 319,862 | - | - |
| Letter of credit | <u>7,979,500</u> | <u>-</u> | <u>429,763</u> | <u>7,549,737</u> | <u>502,525</u> |
| Total bonds and notes payable | <u>65,152,096</u> | <u>-</u> | <u>3,652,137</u> | <u>61,499,959</u> | <u>3,645,037</u> |
| Other long-term debt: | | | | | |
| Compensated absences | 6,954,305 | 35,644 | - | 6,989,949 | - |
| Workers' compensation | 2,476,693 | - | 43,296 | 2,433,397 | - |
| Net pension liabilities | - | 12,707,505 | - | 12,707,505 | - |
| Total OPEB liability | <u>243,428,181</u> | <u>15,334,872</u> | <u>-</u> | <u>258,763,053</u> | <u>-</u> |
| Total other liabilities | <u>252,859,179</u> | <u>28,078,021</u> | <u>43,296</u> | <u>280,893,904</u> | <u>-</u> |
| Total long-term liabilities | <u>\$ 318,011,275</u> | <u>28,078,021</u> | <u>3,695,433</u> | <u>342,393,863</u> | <u>3,645,037</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Long-Term Liabilities, Continued

Existing serial bond obligations are composed of the following:

| <u>Bond Issue</u> | <u>Issued</u> | <u>Maturity</u> | <u>Interest Rate</u> | <u>Balance at June 30, 2023</u> |
|-------------------|---------------|-----------------|----------------------|---------------------------------|
| Serial Bond | 8/2013 | 8/2025 | 2.00% - 3.00% | \$ 680,000 |
| Serial Bond | 4/2021 | 12/2040 | 2.00% - 5.00% | <u>48,095,000</u> |
| | | | | <u>\$ 48,775,000</u> |

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

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|------------------|-------------------|
| 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 | 2,935,000 | 1,109,275 | 4,044,275 |
| 2028 | 3,080,000 | 958,900 | 4,038,900 |
| 2029 - 2033 | 17,410,000 | 2,797,950 | 20,207,950 |
| 2034 - 2038 | 13,735,000 | 823,150 | 14,558,150 |
| 2039 - 2041 | <u>2,945,000</u> | <u>76,850</u> | <u>3,021,850</u> |
| Total | \$ <u>48,775,000</u> | <u>9,944,875</u> | <u>58,719,875</u> |

The letter of credit obligation consists of the following:

| <u>Description</u> | <u>Issued</u> | <u>Maturity</u> | <u>Interest Rate</u> | <u>Balance at June 30, 2023</u> |
|--------------------|---------------|-----------------|----------------------|---------------------------------|
| Letter of Credit | 12/2021 | 12/2036 | 1.68% | \$ <u>7,549,737</u> |

The following is a summary of the maturity of the letter of credit:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|-----------------|------------------|
| 2024 | \$ 502,525 | 125,031 | 627,556 |
| 2025 | 511,024 | 116,532 | 627,556 |
| 2026 | 519,665 | 107,891 | 627,556 |
| 2027 | 528,454 | 99,102 | 627,556 |
| 2028 | 537,390 | 90,166 | 627,556 |
| 2029 - 2033 | 2,826,379 | 311,401 | 3,137,780 |
| 2034 - 2037 | <u>2,124,300</u> | <u>72,146</u> | <u>2,196,446</u> |
| Total | \$ <u>7,549,737</u> | <u>922,269</u> | <u>8,472,006</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Long-Term Liabilities, Continued

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

| | |
|---|---------------------|
| Interest paid | \$ 1,872,786 |
| Less interest accrued in the prior year | (153,272) |
| Less amortization of unamortized premium | (287,512) |
| Plus interest accrued in the current year | <u>77,661</u> |
| Total expense | \$ <u>1,509,663</u> |

(11) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. System benefits are established under the provision of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in ERS, 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. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retirement/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

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

| | <u>ERS</u> | <u>TRS</u> |
|---|--------------|------------|
| Actuarial valuation date | 4/01/2022 | 6/30/2021 |
| Measurement date | 3/31/2023 | 6/30/2022 |
| Net pension liability | \$ 6,184,056 | 6,523,449 |
| District's proportion of the Plan's net pension liability | 0.0288381% | 0.339959% |
| Change in proportionate share | (0.0024073) | (0.004877) |

For the year ended June 30, 2023, the District's recognized pension expense of \$2,481,847 for ERS and \$8,134,671 for TRS in the statement of activities.

At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | | <u>Deferred Inflows of Resources</u> | |
|---|---------------------------------------|-------------------|--------------------------------------|------------------|
| | <u>ERS</u> | <u>TRS</u> | <u>ERS</u> | <u>TRS</u> |
| Differences between expected and actual experience | \$ 658,650 | 6,835,749 | 173,672 | 130,719 |
| Changes of assumptions | 3,003,376 | 12,654,388 | 33,193 | 2,627,830 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 8,428,915 | 36,331 | - |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 733,473 | 421,506 | 137,214 | 467,390 |
| District's contributions subsequent to the measurement date | <u>445,841</u> | <u>6,655,535</u> | <u>-</u> | <u>-</u> |
| Total | \$ <u>4,841,340</u> | <u>34,996,093</u> | <u>380,410</u> | <u>3,225,939</u> |

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

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

| <u>Year ending</u> | <u>ERS</u> | <u>TRS</u> |
|--------------------|---------------------|-------------------|
| 2024 | \$ 1,048,176 | 4,705,243 |
| 2025 | (111,964) | 2,549,000 |
| 2026 | 1,370,958 | (1,010,279) |
| 2027 | 1,707,919 | 16,592,022 |
| 2028 | - | 2,151,817 |
| Thereafter | <u>-</u> | <u>126,816</u> |
| | <u>\$ 4,015,089</u> | <u>25,114,619</u> |

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

| | <u>ERS</u> | <u>TRS</u> |
|--|----------------|---------------|
| Measurement date | March 31, 2023 | June 30, 2022 |
| Actuarial valuation date | April 1, 2022 | June 30, 2021 |
| Investment rate of return (net of investment expense, including inflation) | 5.9% | 6.95% |
| Salary scale | 4.4% | 1.95% - 5.18% |
| Cost-of-living adjustments | 1.5% | 1.3% |
| Inflation rate | 2.9% | 2.4% |

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. The pension valuation as of April 1, 2021 used the same assumptions to measure the total pension liability. For TRS, annuitant mortality rates are plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates based on Plan member experience. The previous valuation, as of June 30, 2020 used the Society of Actuaries' Scale MP-2020.

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

The long-term rate of return on ERS pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns net of investment 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

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

| Measurement date | <u>ERS</u> | | <u>TRS</u> | |
|-----------------------------|--|----------------------|--|----------------------|
| | March 31, 2023 | | June 30, 2022 | |
| | Long-term expected real rate of return* | Target allocation | Long-term expected real rate of return* | Target allocation |
| Asset class: | | | | |
| Domestic equity | 4.30% | 32% | 6.50% | 33% |
| International equity | 6.85% | 15% | 7.70% | 16% |
| Real estate equity | 4.60% | 9% | 6.20% | 11% |
| Global equity | - | - | 6.90% | 4% |
| Domestic fixed income | - | - | 1.10% | 16% |
| Global bonds | - | - | 0.60% | 2% |
| High-yield bonds | - | - | 3.30% | 1% |
| Real estate debt | - | - | 2.40% | 6% |
| Private equity | 7.50% | 10% | 9.90% | 8% |
| Private debt | - | - | 5.30% | 2% |
| Real assets | 5.84% | 3% | - | - |
| Fixed income | 1.50% | 23% | - | - |
| Opportunistic/ARS portfolio | 5.38% | 3% | - | - |
| Credit | 5.43% | 4% | - | - |
| Cash | - | <u>1%</u> | (0.30%) | <u>1%</u> |
| | | <u>100%</u> | | <u>100%</u> |

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

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

(d) Discount Rate

The discount rate used to calculate the total pension asset was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liabilities calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension liabilities would be if they were calculated using a discount rate that is 1% lower (4.9% for ERS and 5.95% for TRS) or 1% higher (6.9% for ERS and 7.95% for TRS) than the current rate:

| ERS | 1% Decrease (4.9%) | Current Assumption (5.9%) | 1% Increase (6.9%) |
|--|---------------------------|----------------------------------|---------------------------|
| Employer's proportionate share of the net pension asset (liability) | \$ (14,944,211) | (6,184,056) | 1,136,073 |
| TRS | 1% Decrease (5.95%) | Current Assumption (6.95%) | 1% Increase (7.95%) |
| Employer's proportionate share of the net pension asset (liability) | \$ (60,149,262) | (6,523,449) | 38,575,507 |

(f) Pension Plans' Fiduciary Net Position

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

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

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(11) Pension Plans, Continued

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$445,841. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position.

TRS employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued employer retirement contributions to TRS as of June 30, 2023 amounted to \$7,507,995 including employees' share. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position.

(12) Other Postemployment Benefits (OPEB)

(a) 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.

(b) 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.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(12) Other Postemployment Benefits (OPEB), Continued

(c) Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022 projected forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

| | |
|--------------------------------------|--|
| Measurement date | June 30, 2023 |
| Actuarial cost Method | Entry Age Normal - Cost Method |
| Plan type | Single Employer Defined Benefit Plan |
| Salary increases including inflation | 2.40% |
| Healthcare cost trend rates | 6.4% in 2023, decreasing to and ultimate rate of 3.8% in 2073. |
| Discount rate | 3.65% |
| Mortality | PubT-2010 Headcount-Weighted Mortality Table For Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions both generally projected using the MP-2021 Ultimate Scale. |

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 with which to perform an experience study. As a result, a full actuarial experience study is not applicable.

(d) Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 596 |
| Active employees | <u>700</u> |
| Total participants | <u>1,296</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(12) Other Post Employment Benefits (OPEB), Continued

(e) Total OPEB Liability

The District's total OPEB liability of \$258,763,053 was determined by an actuarial valuation as of July 1, 2021.

| | |
|---|-----------------------|
| Balance at July 1, 2022 | \$ 243,428,181 |
| Changes for the year: | |
| Service cost | 8,984,172 |
| Interest on total OPEB liability | 8,830,538 |
| Difference between expected and actual experience | (15,332,724) |
| Changes in assumptions or inputs | 18,829,182 |
| Benefit payments | <u>(5,976,296)</u> |
| Net changes | <u>15,334,872</u> |
| Balance at June 30, 2023 | \$ <u>258,763,053</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than the current discount rate:

| | 1% Decrease <u>(2.65%)</u> | Current Discount Rate <u>(3.65%)</u> | 1% Increase <u>(4.65%)</u> |
|----------------------|----------------------------------|---|----------------------------------|
| Total OPEB liability | \$ <u>305,242,021</u> | <u>258,763,053</u> | <u>221,682,066</u> |

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend 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 healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|-----------------------|--------------------------|--------------------|
| Total OPEB liability | \$ <u>214,772,886</u> | <u>258,763,053</u> | <u>316,239,947</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(12) Other Postemployment Benefits (OPEB), Continued

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$16,423,120. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 14,048,905 | 44,862,635 |
| Changes of assumptions | <u>63,104,256</u> | <u>58,365,367</u> |
| Total | \$ <u>77,153,161</u> | <u>103,228,002</u> |

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

| <u>Year ending</u> | |
|--------------------|------------------------|
| 2024 | \$ (1,391,590) |
| 2025 | (1,391,590) |
| 2026 | (1,594,269) |
| 2027 | (8,273,573) |
| 2028 | (10,364,918) |
| Thereafter | <u>(3,058,901)</u> |
| | <u>\$ (26,074,841)</u> |

(13) 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.

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(13) Risk Management, Continued

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:

| | | <u>Undiscounted</u> | |
|---|----|---------------------|------------------|
| | | <u>2023</u> | <u>2022</u> |
| Unpaid claims at beginning of year | \$ | 2,476,693 | 1,735,377 |
| Incurred claims and claim adjustment expenses | | 416,091 | 1,059,796 |
| Claim payments | | <u>(459,387)</u> | <u>(318,480)</u> |
| Unpaid claims at year end | \$ | <u>2,433,397</u> | <u>2,476,693</u> |

(14) Fund Balances

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

| | <u>General</u> | <u>School Food Service</u> | <u>Debt Service</u> | <u>Miscellaneous</u> | <u>Capital Projects</u> | <u>Total</u> |
|---|----------------------|--------------------------------|-------------------------|----------------------|-----------------------------|-------------------|
| Nonspendable | \$ - | 71,056 | - | - | - | 71,056 |
| Restricted: | | | | | | |
| Workers' compensation | 3,792,066 | - | - | - | - | 3,792,066 |
| Unemployment insurance | 431,159 | - | - | - | - | 431,159 |
| Employee benefit accrued liability | 8,139,759 | - | - | - | - | 8,139,759 |
| Retirement contribution - ERS | 4,872,995 | - | - | - | - | 4,872,995 |
| Retirement contribution - TRS | 3,777,086 | - | - | - | - | 3,777,086 |
| Insurance | 450,428 | - | - | - | - | 450,428 |
| Capital | 3,370,433 | - | - | - | 9,529,141 | 12,899,574 |
| Property loss | 450,449 | - | - | - | - | 450,449 |
| Liability | 438,832 | - | - | - | - | 438,832 |
| Debt service | - | - | 167,190 | - | - | 167,190 |
| Miscellaneous revenue | - | - | - | 73,874 | - | 73,874 |
| Unspent debt proceeds | - | - | - | - | 3,092,307 | 3,092,307 |
| Total restricted | <u>25,723,207</u> | <u>-</u> | <u>167,190</u> | <u>73,874</u> | <u>12,621,448</u> | <u>38,585,719</u> |
| Assigned: | | | | | | |
| Encumbrances | 177,118 | - | - | - | - | 177,118 |
| Appropriated for subsequent year's budget | 10,800,000 | - | - | - | - | 10,800,000 |
| Assigned - unappropriated | <u>-</u> | <u>2,755,886</u> | <u>-</u> | <u>-</u> | <u>4,732,437</u> | <u>7,488,323</u> |
| Total assigned | <u>10,977,118</u> | <u>2,755,886</u> | <u>-</u> | <u>-</u> | <u>4,732,437</u> | <u>18,465,441</u> |
| Unassigned | <u>7,868,018</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,868,018</u> |
| Total fund balance | <u>\$ 44,568,343</u> | <u>2,826,942</u> | <u>167,190</u> | <u>73,874</u> | <u>17,353,885</u> | <u>64,990,234</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(14) Fund Balances, Continued

The following is a summary of the change in general fund restricted funds during the year ended June 30, 2023:

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending</u> <u>Balance</u> |
|------------------------------------|------------------------------------|------------------|-------------------|---------------------------------|
| Workers' compensation | \$ 3,792,066 | - | - | 3,792,066 |
| Unemployment insurance | 431,159 | - | - | 431,159 |
| Employee benefit accrued liability | 8,139,759 | - | - | 8,139,759 |
| Retirement contribution - ERS | 6,286,326 | - | 1,413,331 | 4,872,995 |
| Retirement contribution - TRS | 3,777,086 | - | - | 3,777,086 |
| Insurance | 450,428 | - | - | 450,428 |
| Capital | 8,666,617 | 2,500,000 | 7,796,184 | 3,370,433 |
| Repairs | 21,316 | - | 21,316 | - |
| Property loss | 450,449 | - | - | 450,449 |
| Liability | 438,832 | - | - | 438,832 |
| Total | <u>\$ 32,454,038</u> | <u>2,500,000</u> | <u>9,230,831</u> | <u>25,723,207</u> |

(15) Restricted Fund Balance - Appropriated Reserves

The District expects to appropriate \$1,000,000 from the ERS retirement contribution reserve, \$1,000,000 from the TRS retirement contribution reserve, \$125,000 from the employee benefit accrued liability reserve, and \$125,000 from the workers' compensation reserve, which are reported in the June 30, 2023 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2024.

(16) 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 | 12,500,000 |
| Interfund transfers since inception | (9,172,984) |
| Interest earnings since inception | <u>43,417</u> |
| Total general fund | \$ <u>3,370,433</u> |

WESTBURY UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(17) Tax Abatements

The Nassau County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The District received payments in lieu of taxes totaling \$2,524,679. The amount by which the District's property taxes were reduced is unavailable.

(18) Commitments and Contingencies

(a) Grants

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

(b) Litigation

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.

(19) New Standards

GASB has issued Statement No. 99 - Omnibus 2022, effective for various periods through fiscal years beginning after June 15, 2023, which will be implemented in the years required. The effects of the implementation of this pronouncement are not known at this time.

WESTBURY UNION FREE SCHOOL DISTRICT
 Required Supplementary Information
 Statement of Revenue, Expenditures and Changes in Fund Balance
 Budget and Actual - General Fund
 Year ended June 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Final Budget Variance with Budgetary <u>Actual</u> |
|---|----------------------------|-------------------------|--------------------|---|
| Revenue: | | | | |
| Real property taxes | \$ 80,218,042 | 75,333,809 | 75,386,235 | 52,426 |
| School tax relief reimbursement | - | 4,884,233 | 4,884,233 | - |
| Other real property tax items | 3,627,063 | 3,627,063 | 3,857,071 | 230,008 |
| Charges for services | 471,737 | 471,737 | 652,333 | 180,596 |
| Use of money and property | 40,500 | 40,500 | 621,469 | 580,969 |
| Sale of property and compensation for loss | 35,500 | 35,500 | 31,129 | (4,371) |
| Miscellaneous | 931,000 | 931,369 | 2,272,959 | 1,341,590 |
| Interfund | - | - | 24,578 | 24,578 |
| State aid | 74,461,967 | 74,461,967 | 76,357,427 | 1,895,460 |
| Medicaid reimbursement | <u>650,000</u> | <u>650,000</u> | <u>1,010,267</u> | <u>360,267</u> |
| Total revenue | <u>160,435,809</u> | <u>160,436,178</u> | <u>165,097,701</u> | <u>4,661,523</u> |

(Continued)

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | Final Budget Variance with Budgetary <u>Actual</u> |
|--|----------------------------|-------------------------|----------------------|---------------------|---|
| Expenditures: | | | | | |
| General support: | | | | | |
| Board of Education | \$ 237,080 | 228,303 | 181,692 | - | 46,611 |
| Central administration | 498,568 | 520,568 | 501,462 | 500 | 18,606 |
| Finance | 1,761,836 | 1,579,110 | 1,418,155 | 89 | 160,866 |
| Staff | 922,924 | 902,254 | 866,603 | - | 35,651 |
| Central services | 11,522,138 | 12,040,162 | 10,690,717 | 70,757 | 1,278,688 |
| Special items | <u>1,357,664</u> | <u>1,355,339</u> | <u>1,279,533</u> | <u>-</u> | <u>75,806</u> |
| Total general support | <u>16,300,210</u> | <u>16,625,736</u> | <u>14,938,162</u> | <u>71,346</u> | <u>1,616,228</u> |
| Instruction: | | | | | |
| Instruction, administration and improvement | 5,132,536 | 5,325,460 | 5,012,157 | 1,696 | 311,607 |
| Teaching - regular school Programs for children with handicap conditions | 48,444,811 | 48,241,333 | 46,019,426 | 8,467 | 2,213,440 |
| Teaching - special school | 31,751,175 | 32,707,280 | 30,818,249 | 1,329 | 1,887,702 |
| Occupational education | 1,322,550 | 1,075,045 | 861,739 | 1,003 | 212,303 |
| Instructional media | 2,177,173 | 2,237,453 | 2,043,798 | - | 193,655 |
| Pupil services | 5,026,674 | 5,511,769 | 5,252,235 | 50,735 | 208,799 |
| Pupil services | <u>7,491,343</u> | <u>7,691,235</u> | <u>6,953,743</u> | <u>2,123</u> | <u>735,369</u> |
| Total instruction | <u>101,346,262</u> | <u>102,789,575</u> | <u>96,961,347</u> | <u>65,353</u> | <u>5,762,875</u> |
| Pupil transportation | 11,130,808 | 11,190,597 | 10,193,178 | 40,419 | 957,000 |
| Community services | 5,500 | 5,500 | - | - | 5,500 |
| Employee benefits | 37,735,714 | 36,177,729 | 32,908,580 | - | 3,269,149 |
| Debt service: | | | | | |
| Principal | 3,364,528 | 3,364,625 | 3,364,625 | - | - |
| Interest | <u>1,872,787</u> | <u>1,872,786</u> | <u>1,872,786</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>171,755,809</u> | <u>172,026,548</u> | <u>160,238,678</u> | <u>177,118</u> | <u>11,610,752</u> |
| Other financing uses - operating transfers out | <u>(3,330,000)</u> | <u>(3,330,000)</u> | <u>(10,785,704)</u> | <u>-</u> | <u>(7,455,704)</u> |
| Change in fund balance | <u>\$ (14,650,000)</u> | <u>(14,920,370)</u> | <u>(5,926,681)</u> | <u>177,118</u> | <u>8,816,571</u> |
| Fund balance at beginning of year | | | <u>50,495,024</u> | | |
| Fund balance at end of year | | | <u>\$ 44,568,343</u> | | |

WESTBURY UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
Year ended June 30, 2023

| | Dollar Amounts in Thousands | | | | | | | | | |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>ERS</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| The District's proportion of the net pension asset (liability) | 0.0288381% | 0.0312454% | 0.0298941% | 0.0279618% | 0.0303495% | 0.0289311% | 0.0266364% | 0.0274966% | 0.0278647% | 0.0278647% |
| The District's proportionate share of the net pension asset (liability) | \$ (6,184) | 2,554 | (30) | (7,313) | (2,150) | (934) | (2,503) | (4,413) | (941) | (1,259) |
| The District's covered payroll | \$ 10,720 | 10,899 | 10,644 | 10,658 | 9,642 | 10,032 | 9,545 | 8,800 | 8,358 | 8,399 |
| The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll | 57.69% | 23.43% | 0.28% | 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 asset (liability) | 90.78% | 103.65% | 99.95% | 86.39% | 96.30% | 98.20% | 94.70% | 90.68% | 97.95% | 97.20% |
| <u>TRS</u> | | | | | | | | | | |
| The District's proportion of the net pension asset (liability) | 0.339959% | 0.344836% | 0.340179% | 0.337216% | 0.341798% | 0.342664% | 0.327654% | 0.329289% | 0.309589% | 0.331309% |
| The District's proportionate share of the net pension asset (liability) | \$ (6,523) | 59,757 | (9,400) | 8,761 | 6,181 | 2,605 | (3,509) | 34,203 | 34,781 | 2,038 |
| The District's covered payroll | \$ 63,708 | 60,244 | 58,507 | 56,961 | 56,417 | 54,301 | 50,560 | 49,464 | 43,690 | 46,017 |
| The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll | 10.24% | 99.19% | 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 asset (liability) | 98.60% | 113.20% | 97.76% | 102.20% | 101.53% | 100.66% | 99.01% | 110.46% | 111.48% | 100.70% |

WESTBURY UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Pension Contributions
Year ended June 30, 2023

| | Dollar Amounts in Thousands | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>ERS</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Contractually required contribution | \$ 1,217 | 1,701 | 1,503 | 1,429 | 1,433 | 1,405 | 1,312 | 1,492 | 1,641 | 1,626 |
| Contribution in relation to the contractually required contribution | <u>1,217</u> | <u>1,701</u> | <u>1,503</u> | <u>1,429</u> | <u>1,433</u> | <u>1,405</u> | <u>1,312</u> | <u>1,492</u> | <u>1,641</u> | <u>1,626</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| District's covered payroll | <u>\$ 10,720</u> | <u>10,899</u> | <u>10,644</u> | <u>10,549</u> | <u>9,969</u> | <u>10,128</u> | <u>9,462</u> | <u>8,578</u> | <u>8,358</u> | <u>8,399</u> |
| Contribution as a percentage of covered payroll | 11.35% | 15.61% | 14.12% | 13.55% | 14.37% | 13.87% | 13.87% | 17.39% | 19.63% | 19.36% |
| | | | | | | | | | | |
| <u>TRS</u> | | | | | | | | | | |
| Contractually required contribution | \$ 6,656 | 5,904 | 5,576 | 5,116 | 5,978 | 5,456 | 6,364 | 6,704 | 8,671 | 7,406 |
| Contribution in relation to the contractually required contribution | <u>6,656</u> | <u>5,904</u> | <u>5,576</u> | <u>5,116</u> | <u>5,978</u> | <u>5,456</u> | <u>6,364</u> | <u>6,704</u> | <u>8,671</u> | <u>7,406</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| District's covered payroll | <u>\$ 63,708</u> | <u>60,244</u> | <u>58,507</u> | <u>57,739</u> | <u>56,961</u> | <u>56,417</u> | <u>54,301</u> | <u>50,560</u> | <u>49,464</u> | <u>43,690</u> |
| Contribution as a percentage of covered payroll | 10.45% | 9.80% | 9.53% | 8.86% | 10.49% | 9.67% | 11.72% | 13.26% | 17.53% | 16.95% |

WESTBURY UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2023

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total OPEB liability | | | | | | |
| Service cost | \$ 8,984,172 | 13,561,685 | 11,200,473 | 9,472,357 | 10,660,130 | 7,527,360 |
| Interest on total OPEB liability | 8,830,538 | 6,655,417 | 6,748,203 | 8,404,799 | 6,413,820 | 6,058,353 |
| Changes of benefit terms | - | - | (50,022,496) | - | 38,253,579 | - |
| Difference between expected and actual experience | (15,332,724) | - | - | - | - | 24,889 |
| Changes of assumptions | 18,829,182 | (68,683,415) | 37,616,223 | 50,889,367 | (22,460,618) | - |
| Benefit payments | <u>(5,976,296)</u> | <u>(5,301,633)</u> | <u>(4,961,656)</u> | <u>(5,583,808)</u> | <u>(5,098,541)</u> | <u>(4,693,452)</u> |
| Net change in total OPEB liability | 15,334,872 | (53,767,946) | 580,747 | 63,182,715 | 27,768,370 | 8,917,150 |
| Total OPEB liability - beginning | <u>243,428,181</u> | <u>297,196,127</u> | <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>\$ 258,763,053</u> | <u>243,428,181</u> | <u>297,196,127</u> | <u>296,615,380</u> | <u>233,432,665</u> | <u>205,664,295</u> |
| Covered payroll | \$ 65,418,998 | 61,642,107 | 61,642,107 | 59,557,504 | 59,557,504 | 49,455,528 |
| Total OPEB liability as a percentage of covered payroll | 395.55% | 394.91% | 482.13% | 498.03% | 391.95% | 415.86% |

Notes to schedule:

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

| <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3.65% | 3.54% | 2.16% | 2.21% | 3.50% | 3.00% |

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

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

WESTBURY UNION FREE SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Change from Adopted Budget to Final Budget and
 the Real Property Tax Limit - General Fund
 Year ended June 30, 2023

Change from adopted budget to final budget:

| | |
|-------------------------------|------------------------------|
| Adopted budget | \$ 175,085,809 |
| Add prior year's encumbrances | <u>270,370</u> |
| Original budget | 175,356,179 |
| Add additional revenue | <u>369</u> |
| Final budget | <u><u>\$ 175,356,548</u></u> |

Section 1318 of Real Property Tax Law Limit Calculation

| | |
|---|-------------------------|
| 2023-2024 voter approved expenditure budget | <u>\$ 196,700,453</u> |
| Maximum allowed 4% of 2023-2024 budget | <u><u>7,868,018</u></u> |

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

| | |
|---------------------------------|------------------|
| Unrestricted fund balance: | |
| Appropriated fund balance | \$ 10,800,000 |
| Encumbrances | 177,118 |
| Unassigned fund balance | <u>7,868,018</u> |
| Total unrestricted fund balance | 18,845,136 |

Less:

| | |
|---------------------------|-------------------|
| Appropriated fund balance | 10,800,000 |
| Encumbrances | <u>177,118</u> |
| Total adjustments | <u>10,977,118</u> |

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

\$ 7,868,018

Actual percentage 4.00%

* 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
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2023

| Project title | Expenditures | | | | | Unexpended Balance | Methods of Financing | | | | Fund Balance 6/30/2023 |
|---|---------------------------|--------------------------|-------------------|------------------|-------------------|-----------------------|----------------------------|--------------------------|-----------------------------|-------------------|---------------------------|
| | Original Appropriation | Revised Appropriation | Prior Years | Current Year | Total | | Proceeds of Obligations | State and Federal Aid | Local Sources | Total | |
| HS concession stand | \$ 176,940 | 176,940 | 160,349 | - | 160,349 | 16,591 | - | 176,940 | - | 176,940 | 16,591 |
| HS press box | 210,450 | 210,450 | 209,821 | - | 209,821 | 629 | - | 210,450 | - | 210,450 | 629 |
| High school renovations | 18,925,000 | 18,295,000 | 19,150,943 | 22,943 | 19,173,886 | (878,886) | 18,942,843 | - | 336,800 | 19,279,643 | 105,757 |
| Middle school renovations | 39,670,000 | 39,670,000 | 34,588,824 | 2,026,443 | 36,615,267 | 3,054,733 | 39,707,403 | - | - | 39,707,403 | 3,092,136 |
| Drexel auditorium | 488,750 | 488,750 | 25,472 | 499,536 | 525,008 | (36,258) | - | - | 488,750 | 488,750 | (36,258) |
| Park auditorium | 451,250 | 451,250 | 27,696 | 531,888 | 559,584 | (108,334) | - | - | 551,250 | 551,250 | (8,334) |
| High School turf field/generator | 675,100 | 675,100 | 110,430 | 2,627,374 | 2,737,804 | (2,062,704) | - | - | 2,722,800 | 2,722,800 | (15,004) |
| Park pre-K study/portable | 100,000 | 100,000 | 37,601 | 31,350 | 68,951 | 31,049 | - | - | 650,000 | 650,000 | 581,049 |
| Middle school asphalt/curbs and asbestos | 731,701 | 731,701 | - | 27,896 | 27,896 | 703,805 | - | - | 731,700 | 731,700 | 703,804 |
| Park EPC | 199,602 | 199,602 | 303,318 | (65,467) | 237,851 | (38,249) | 199,602 | 145,834 | - | 345,436 | 107,585 |
| Powels EPC | 305,306 | 305,306 | 343,927 | (11,664) | 332,263 | (26,957) | 305,306 | 103,044 | - | 408,350 | 76,087 |
| Drexel EPC | 1,114,833 | 1,114,833 | 1,156,219 | 31,164 | 1,187,383 | (72,550) | 1,114,833 | 276,629 | - | 1,391,462 | 204,079 |
| Dryden EPC | 1,359,716 | 1,359,716 | 1,146,483 | 233,054 | 1,379,537 | (19,821) | 1,359,716 | 75,682 | - | 1,435,398 | 55,861 |
| High school EPC | 3,486,472 | 3,486,472 | 2,945,232 | 592,418 | 3,537,650 | (51,178) | 3,486,472 | 194,445 | - | 3,680,917 | 143,267 |
| Middle school EPC | 1,438,274 | 1,438,274 | 1,134,782 | 303,477 | 1,438,259 | 15 | 1,438,274 | - | - | 1,438,274 | 15 |
| Facilities EPC | 46,728 | 46,728 | 38,868 | 7,860 | 46,728 | - | 46,728 | - | - | 46,728 | - |
| Admin EPC | 28,569 | 28,569 | 22,541 | 5,916 | 28,457 | 112 | 28,569 | - | - | 28,569 | 112 |
| Park HVAC/ventilation remediation | 294,200 | 294,200 | 18,144 | 224,067 | 242,211 | 51,989 | - | - | 294,200 | 294,200 | 51,989 |
| Powels Lance HVAC/ventilation remediation | 264,000 | 264,000 | 16,272 | 137,688 | 153,960 | 110,040 | - | - | 264,000 | 264,000 | 110,040 |
| Drexel HVAC/ventilation remediation | 257,400 | 257,400 | 15,840 | 247,977 | 263,817 | (6,417) | - | - | 257,400 | 257,400 | (6,417) |
| Dryden HVAC/ventilation remediation | 183,900 | 183,900 | 11,520 | 86,779 | 98,299 | 85,601 | - | - | 183,900 | 183,900 | 85,601 |
| Facilities HVAC/ventilation remediation | 110,300 | 110,300 | 6,840 | 29,032 | 35,872 | 74,428 | - | - | 110,300 | 110,300 | 74,428 |
| Drexel security vestibules | 748,074 | 748,074 | - | 4,071 | 4,071 | 744,003 | - | - | 748,074 | 748,074 | 744,003 |
| Dryden security vestibules | 555,000 | 555,000 | - | 4,265 | 4,265 | 550,735 | - | - | 555,000 | 555,000 | 550,735 |
| High school security vestibules | 751,568 | 751,568 | - | 6,256 | 6,256 | 745,312 | - | - | 751,568 | 751,568 | 745,312 |
| Middle school security vestibules | 607,605 | 607,605 | - | 2,522 | 2,522 | 605,083 | - | - | 607,605 | 607,605 | 605,083 |
| Park security vestibules | 607,605 | 607,605 | - | 4,501 | 4,501 | 603,104 | - | - | 607,605 | 607,605 | 603,104 |
| Powell security vestibules | 377,010 | 377,010 | - | 2,631 | 2,631 | 374,379 | - | - | 377,010 | 377,010 | 374,379 |
| 2022-2023 Capital Projects | <u>9,170,638</u> | <u>9,170,638</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,170,638</u> | <u>-</u> | <u>-</u> | <u>8,387,838</u> | <u>8,387,838</u> | <u>8,387,838</u> |
| | <u>\$ 83,335,991</u> | <u>82,705,991</u> | <u>61,471,122</u> | <u>7,613,977</u> | <u>69,085,099</u> | <u>13,620,892</u> | <u>66,629,746</u> | <u>1,183,024</u> | <u>18,625,800</u> | <u>86,438,570</u> | 17,353,471 |
| | | | | | | | | | Unallocated interest income | | 17,319 |
| | | | | | | | | | DASNY grant not received | | (16,905) |
| | | | | | | | | | | | <u>17,353,885</u> |

WESTBURY UNION FREE SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Net Investment in Capital Assets
 June 30, 2023

| | | |
|---|------------------|-----------------------------|
| Capital assets, net | | \$ 97,864,764 |
| Deduct: | | |
| Serial bonds payable | \$ 48,775,000 | |
| Unamortized premium on bonds payables | 5,175,222 | |
| Letter of credit | <u>7,549,737</u> | 61,499,959 |
| Add - unspent proceeds from bonds and letter of credit | | <u>3,092,307</u> |
| Net investment in capital assets | | <u><u>\$ 39,457,112</u></u> |