

**WANTAGH UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

WANTAGH UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Wantagh Union Free School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary fund of the District as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis on Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 1 through 16 and 57 through 60, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 8, 2021

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Wantagh Union Free School District's (the "District") discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. 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, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

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

- The District's total net position, as reflected in the District-Wide Financial Statements, decreased by \$5,058,938. This was due to expenses exceeding revenues based on the accrual basis of accounting.
- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$88,426,116. Of this amount, \$2,457,601 was offset by program charges for services and operating grants and contributions. General revenues of \$80,909,577 amount to 97.05% of total revenues.
- The District implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position and fund balance in the amount of \$171,014.
- The general fund's total fund balance, as reflected in the Fund Financial Statements on pages 19 and 21, increased by \$3,134,778 to \$9,374,480. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- The District received operating grants and contributions of \$2,288,101 to support instructional programs.
- Federal and state aid recorded in the general fund increased by \$1,124,382 to \$18,379,673 in 2021 from \$17,255,291 in 2020.
- During the year, the District accounted for \$64,642 in federal grants in relation to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and \$150,000 in federal grants received from the Town of Hempstead. These funds were recorded in operating grants and contributions in the Statement of Activities on the District-Wide financial statements
- The District was awarded funding in July 2021 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) in the amounts of \$2,073,041 for the Elementary and Secondary School Emergency Relief Program (ESSER) and \$381,830 for the Governor's Emergency Education Relief Program (GEER).

WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2. OVERVIEW OF THE FINANCIAL STATEMENTS

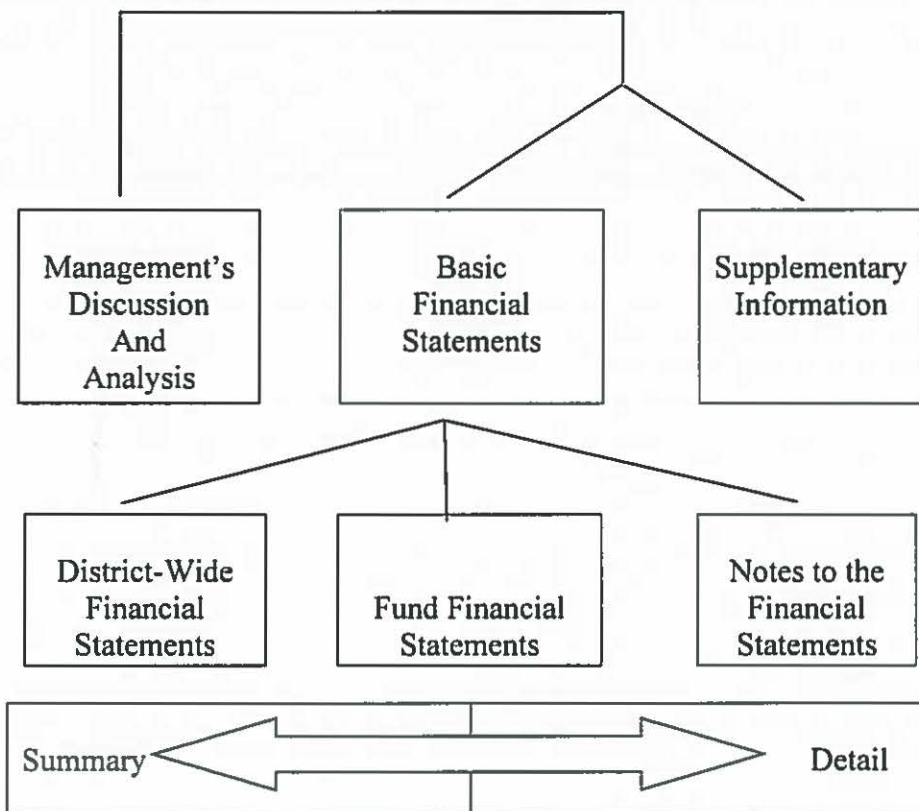
This annual report consists of four parts – management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the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

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

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

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Table A-1: Organization of the District's Annual Financial Report



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

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All financial assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any), short-term and long-term; these funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A) District-Wide Financial Statements:

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

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

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

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

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

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - *Unrestricted net position* includes net amounts that do not meet any of the above restrictions.

WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B) Fund Financial Statements:

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

The District has two kind of funds:

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position:

The June 30, 2020 current and other assets, current and other liabilities, restricted net position, unrestricted net position, and total net position (deficit) were restated as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency fund and private purpose fund and now records those activities in the general fund and miscellaneous special revenue fund. See Note 19 for further information. The following is a summary of these changes:

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	As Restated 2020	As Reported 2020	Increase
Current and other assets	\$ 16,666,371	\$ 16,048,930	\$ 617,441
Current and other liabilities	8,117,674	7,671,247	446,427
Net Position			
Restricted	4,321,291	4,320,261	1,030
Unrestricted (Deficit)	(133,408,969)	(133,578,953)	169,984
Total Net Position (Deficit)	(93,371,024)	(93,542,038)	171,014

The District's net deficit increased by \$5,058,938 in the fiscal year ended June 30, 2021 as detailed below:

Condensed Statement of Net Position-Governmental Activities

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Current and other assets	\$ 16,293,455	\$ 16,666,371	\$ (372,916)	(2.24%)
Capital assets, net	49,289,254	50,882,603	(1,593,349)	(3.13%)
Net pension asset - proportionate share - teachers' retirement system		5,251,612	(5,251,612)	(100.00%)
Deferred outflows of resources	56,405,981	46,267,275	10,138,706	21.91%
Total Assets and Deferred Outflows of Resources	<u>121,988,690</u>	<u>119,067,861</u>	<u>2,920,829</u>	2.45%
Current and other liabilities	5,831,368	8,117,674	(2,286,306)	(28.16%)
Long-term liabilities	166,975,196	179,509,081	(12,533,885)	(6.98%)
Deferred inflows of resources	47,612,088	24,812,130	22,799,958	91.89%
Total Liabilities and Deferred Inflows of Resources	<u>220,418,652</u>	<u>212,438,885</u>	<u>7,979,767</u>	3.76%
Net position				
Net investment in capital assets	36,829,818	35,716,654	1,113,164	3.12%
Restricted	5,856,484	4,321,291	1,535,193	35.53%
Unrestricted (deficit)	(141,116,264)	(133,408,969)	(7,707,295)	(5.78%)
Total Net Position (Deficit)	<u>\$ (98,429,962)</u>	<u>\$ (93,371,024)</u>	<u>\$ (5,058,938)</u>	(5.42%)

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Current and other assets decreased by \$372,916 from the prior year primarily due to decreases in the District's taxes receivable, state and federal aid receivables, and due from other governments, offset by increases in cash balances.

Capital assets (net of depreciation) decreased by \$1,593,349. This was primarily due to current year depreciation, offset by district-wide capital additions.

Net pension asset –proportionate share provided by the teachers' retirement system decreased by \$5,251,612 as compared to last year, this was a result of the actuarial valuation provided by the State resulting in a net pension liability of \$5,687,179 at June 30, 2021.

Deferred outflows of resources increased by \$10,138,706, as compared to the prior year. The changes in deferred outflows represent amortization of pension related items as discussed in Note 12 and the District's contribution subsequent to the measurement date, as well as deferred outflows related to the deferred charges and total other post-employment benefits obligation, as discussed in Note 11 and 13.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Current and other liabilities decreased by \$2,286,306. This was primarily due to a decrease in accounts payable, due to other governments and compensated absences payable, offset by an increase in accrued liabilities, due to teachers' retirement system, due to employees' retirement system.

Long-term liabilities decreased by \$12,533,885 which was primarily attributable to a decrease in bonds payable (inclusive of unamortized premiums), energy performance contract payable, total other post-employment benefit obligation, workers' compensation claims payable, compensated absences payable, and net pension liability - proportionate share-employees' retirement system, offset by an increase to net pension liability - proportionate share-teachers' retirement system.

The increase of \$22,799,958 in deferred inflows of resources represent the amortization of pension related items as discussed in Note 12, and deferred inflows related to total other post-employment benefits obligation, as discussed in Note 13.

The net investment in capital assets portion of the District's net position is calculated by subtracting the amount of outstanding debt including the deferred inflows on the advance refunding used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. 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. This number increased from the prior year by \$1,113,164.

The restricted net position at June 30, 2021, relates to the District's reserve funds established for a specific purpose and amounts restricted for scholarships and debt service. Restricted net position increased by \$1,535,193 primarily due to the District establishing a retirement contribution – TRS reserve and a repair reserve, as well as a funding increase for all other reserves, offset by appropriations from the workers' compensation reserve, unemployment reserve, and employee benefit accrued liability reserve.

The unrestricted net deficit at June 30, 2021 of \$141,116,264 relates to the balance of the District's net position. The unrestricted net deficit increased by \$7,707,295.

B. Changes in Net Position:

The June 30, 2020 balances for revenues for charges for services and operating grants and contributions, and expenses for instruction were restated as a result of the implementation of GASB Statement No.84. See Note 19 "Restatement of Fund Balances/Net Position" for further information. The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Increase
Revenues			
Charges for services	\$ 849,581	\$ 374,030	\$ 475,551
Operating grants and contributions	1,254,280	1,253,980	300
Expenses			
Instruction	71,598,751	71,123,575	475,176

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

Change in Net Position from Operating Results

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 169,500	\$ 849,581	\$ (680,081)	-80.05%
Operating grants and contributions	2,288,101	1,254,280	1,033,821	82.42%
Capital grants	-	1,581,964	(1,581,964)	-100.00%
General Revenues				
Real property taxes and other tax items	62,125,227	60,401,290	1,723,937	2.85%
State and federal sources	17,926,409	17,493,913	432,496	2.47%
Other	857,941	780,134	77,807	9.97%
Total Revenues	<u>\$ 83,367,178</u>	<u>\$ 82,361,162</u>	<u>\$ 1,006,016</u>	1.22%
Expenses				
General support	\$ 14,213,797	\$ 14,243,530	\$ (29,733)	-0.21%
Instruction	69,136,371	71,598,751	(2,462,380)	-3.44%
Pupil transportation	3,437,489	3,022,393	415,096	13.73%
Debt service - interest	443,230	525,291	(82,061)	-15.62%
Food service program	1,195,229	657,536	537,693	81.77%
Total Expenses	<u>88,426,116</u>	<u>90,047,501</u>	<u>(1,621,385)</u>	-1.80%
Total Change in Net Position	<u>\$ (5,058,938)</u>	<u>\$ (7,686,339)</u>	<u>\$ 2,627,401</u>	-34.18%

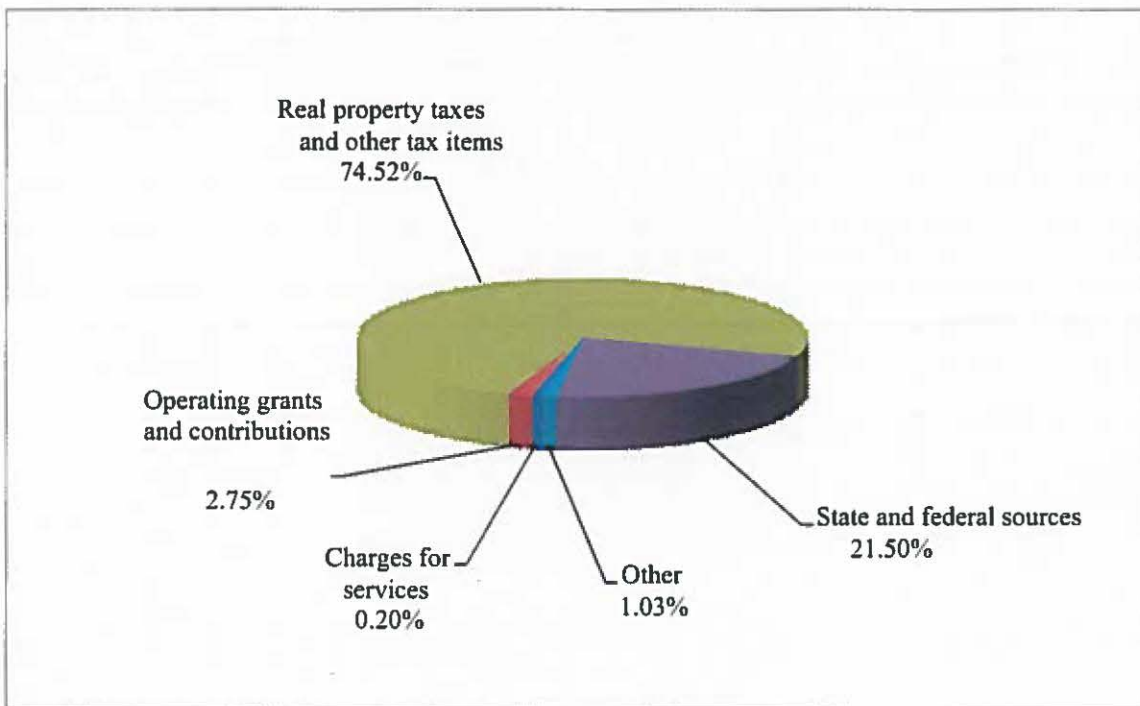
The District's revenues increased by 1.22% in 2021 or \$1,006,016. The major factors that contributed to the increase were operating grants and contributions increasing by \$1,033,821 or 82.42% mainly from the food service program, real property taxes and other tax item revenues increasing by \$1,723,937 or 2.85% from the prior year and the District's state and federal sources increasing by \$432,496 or 2.47%. The increase was offset by a decrease from the prior year to charges for services by \$680,081 and capital grants by \$1,581,964.

The District's expenses for the year decreased by \$1,621,385 or 1.80%. This was primarily attributable to a decrease in instruction, offset by an increase in pupil transportation expenses and food service program expenses.

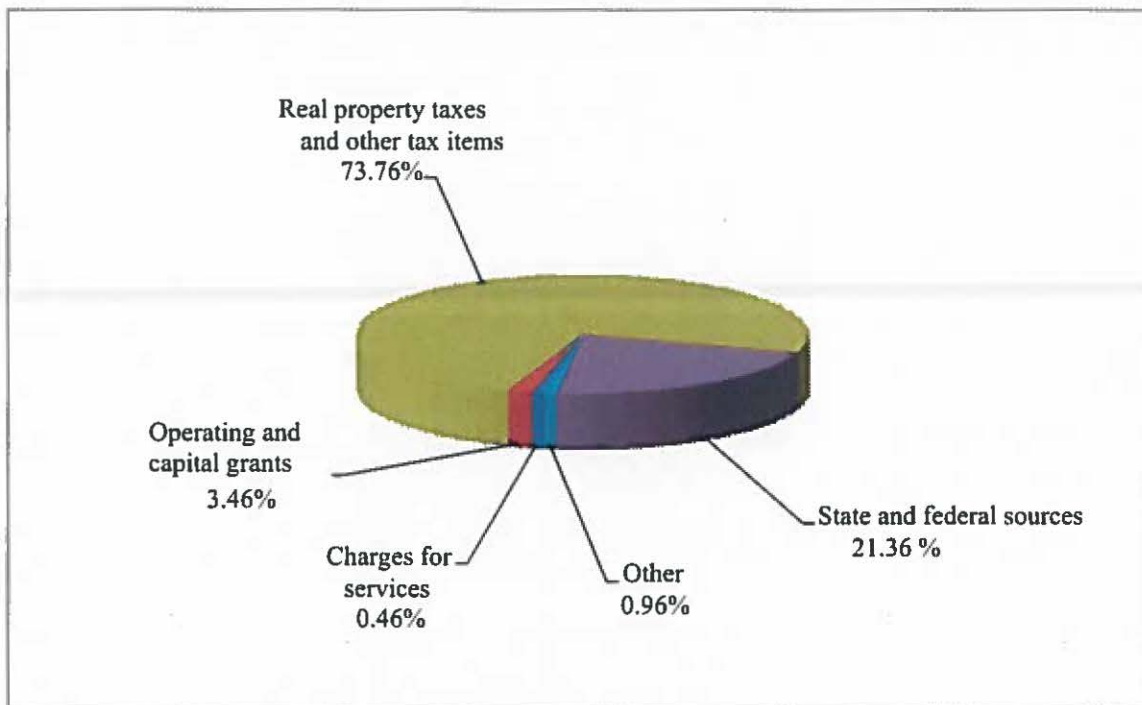
**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

For the Fiscal Year Ended June 30, 2021



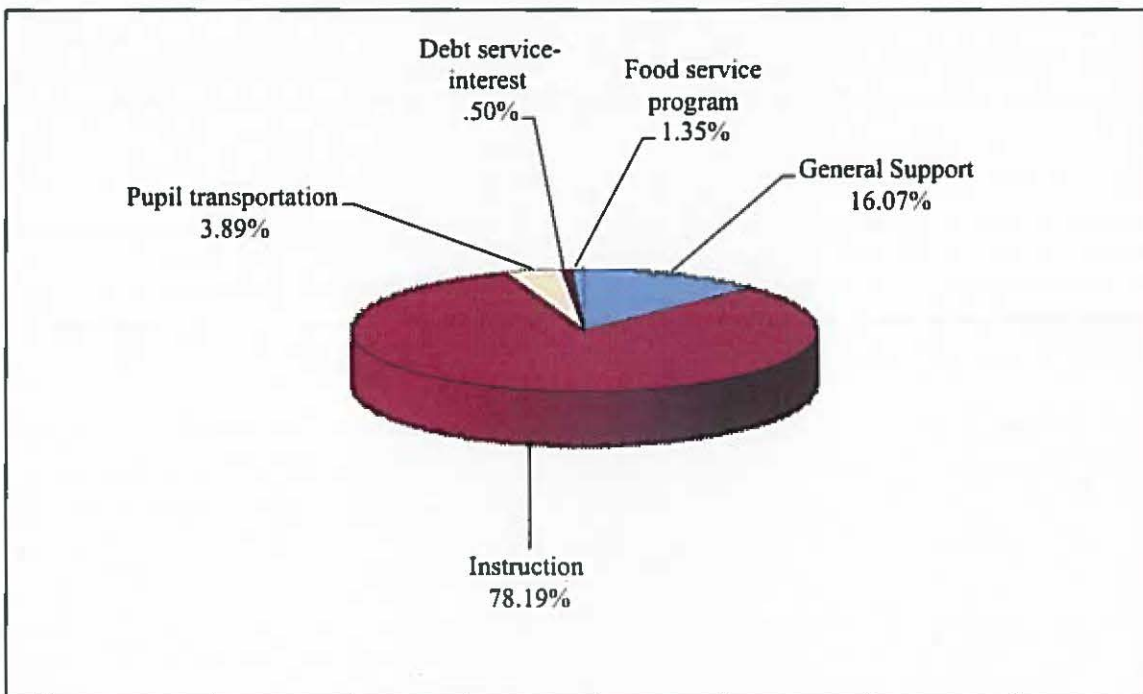
For the Fiscal Year Ended June 30, 2020



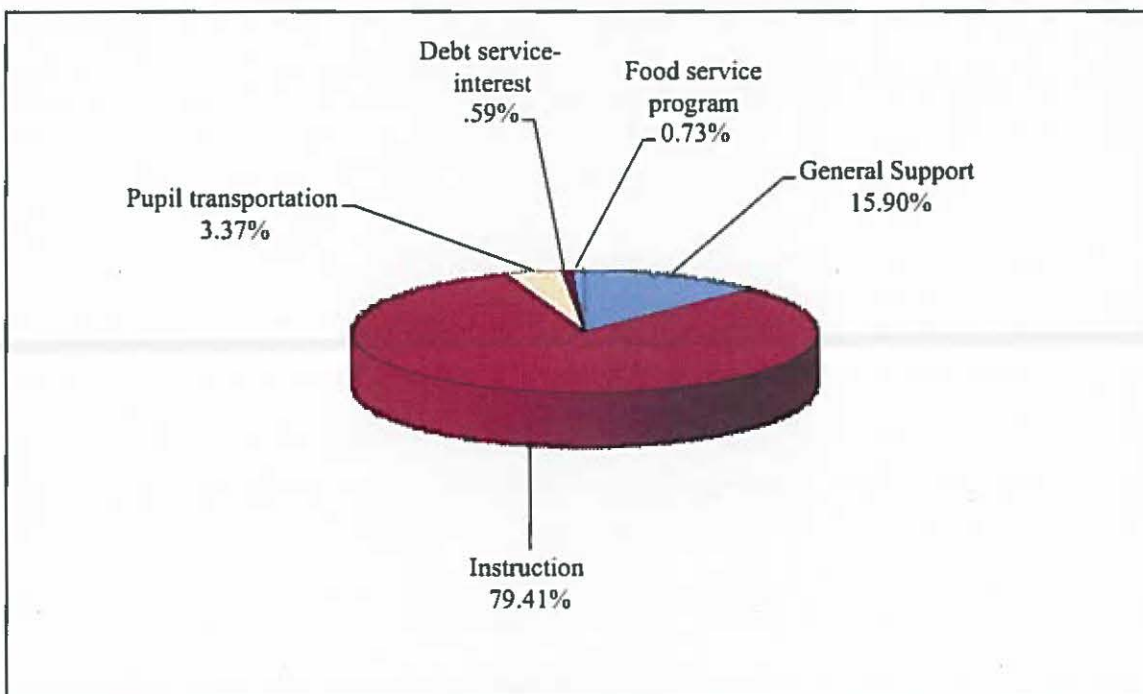
**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

For the Fiscal Year Ended June 30, 2021



For the Fiscal Year Ended June 30, 2020



**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$10,525,842 which is an increase of \$2,383,371 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Note 19 for further information. A summary of the change in fund balance by fund is as follows:

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted				
Workers' compensation	\$ 690,133	\$ 450,000	\$ 240,133	53.36%
Unemployment insurance	400,000	245,000	155,000	63.27%
Employee benefit accrued liability	1,327,365	900,000	427,365	47.49%
Retirement contributions				
Employee retirement system	2,150,000	2,129,289	20,711	0.97%
Teachers' retirement system	700,000	-	700,000	N/A
Capital	210,752	-	210,752	N/A
Repair	50,000	-	50,000	1.34%
Total restricted	<u>5,528,250</u>	<u>3,724,289</u>	<u>1,803,961</u>	48.44%
Assigned				
Unappropriated encumbrances	535,995	686,812	(150,817)	(21.96%)
Total assigned	<u>535,995</u>	<u>686,812</u>	<u>(150,817)</u>	(21.96%)
Unassigned	3,310,235	1,828,601	1,481,634	81.03%
Total general fund	<u>9,374,480</u>	<u>6,239,702</u>	<u>3,134,778</u>	50.24%
School Lunch Fund				
Nonspendable	3,947	1,466	2,481	169.24%
Assigned	58,949	12	58,937	491141.67%
Total school lunch fund	<u>62,896</u>	<u>1,478</u>	<u>61,418</u>	4155.48%
Miscellaneous Special Revenue Fund				
Restricted for scholarships	1,080	1,030	50	4.85%
Assigned - extraclassroom activities	166,379	169,984	(3,605)	(2.12%)
Total miscellaneous special revenue fund	<u>167,459</u>	<u>171,014</u>	<u>(3,555)</u>	(2.08%)
Debt Service Fund				
Restricted	319,141	249,296	69,845	28.02%
Total debt service fund	<u>319,141</u>	<u>249,296</u>	<u>69,845</u>	28.02%
Capital Projects Fund				
Restricted				
Capital	8,013	346,676	(338,663)	(97.69%)
Unspent bond proceeds	-	68,466	(68,466)	(100.00%)
Assigned	593,853	1,065,839	(471,986)	(44.28%)
Total capital projects fund	<u>601,866</u>	<u>1,480,981</u>	<u>(879,115)</u>	(59.36%)
Total Fund Balances - All funds	<u>\$ 10,525,842</u>	<u>\$ 8,142,471</u>	<u>\$ 2,383,371</u>	29.27%

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

A) General Fund

The fund balance in the general fund increased by \$3,134,778 as a result of revenues and other financing source of \$82,038,534 exceeding expenditures and other financing uses of \$78,903,756. Revenues and other financing sources increased \$3,515,810 or 4.48% compared to the prior year, mostly due to the increases in real property taxes, state and federal sources, and miscellaneous, offset by STAR and other real property tax items and charges for services. Expenditures and other financing uses increased by \$422,017 or 0.54% compared to the prior year primarily due to increases in general support, pupil transportation, and employee benefits offset by decreases in instruction and operating transfers out.

B) School Lunch Fund

The fund balance in the school lunch fund increased by \$61,418. This increase is due to the operating transfer in from the general fund to subsidize the loss in the food service operations.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased by \$3,555. This decrease is due to current year expenditures exceeding revenues for scholarships and extraclassroom activities.

D) Debt Service Fund

The fund balance in the debt service fund increased by \$69,845 which represents transfers to the debt service fund from the capital projects fund for completed projects with unneeded authorizations funded with bond proceeds.

E) Capital Projects Fund

The fund balance in the capital projects fund decreased by \$879,115 which represents capital outlay and transfers from the capital projects fund to the general fund and debt service fund for completed projects with unneeded authorizations funded with budgetary appropriations and bond proceeds, respectively. The capital outlay was partially funded by state sources.

5. GENERAL FUND BUDGETARY HIGHLIGHTS**A. 2020-2021 Budget:**

The District's general fund final budget for the year ended June 30, 2021 was \$82,636,618 which is an increase of \$1,408,708 over the adopted budget. The increase includes prior years encumbrances of \$686,812, budget revisions of \$214,642 from CARES Act grants, \$500 from donations, \$9,695 from insurance reimbursements, \$123,500 appropriated from the workers' compensation reserve, \$73,559 appropriated from the unemployment insurance reserve, and \$300,000 appropriated from the employee benefit accrued liability reserve.

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

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, unassigned fund balance	\$ 1,828,601
Revenues over budget	620,054
Expenditures and other financing uses and encumbrances under budget	3,872,295
Budget revision - insurance reimbursements	(9,695)
Interest allocated to reserves	(3,992)
Transfers to reserves	(2,997,028)
Closing, unassigned fund balance	<u>\$ 3,310,235</u>

Opening, Unassigned Fund Balance

The \$1,828,601 shown in the table is the portion of the District's June 30, 2020, fund balance that was retained as unassigned.

Revenues and Other Financing Sources Over Budget

The 2020-2021 final budget for revenues and other financing sources was \$80,743,052. The actual revenues received for the year were \$81,363,106. The actual revenue over budget was \$620,054. This variance contributes directly to the change to the unassigned portion of the fund balance in the general fund from June 30, 2020 to June 30, 2021.

Expenditures and Other Financing Uses and Encumbrances Under Budget

The 2020-2021 final budget for expenditures was \$82,636,618. The actual expenditures, other financing uses and encumbrances were \$78,764,323. The final budget was under expended by \$3,872,295. This under expenditure contributes to the change to the unassigned portion of the fund balance in the general fund from June 30, 2020 to June 30, 2021.

Budget Revisions

The District received additional revenues of \$9,695 for insurance reimbursements which contributes to the unassigned portion of the fund balance in the general fund.

Interest Allocated to Reserves

Interest of \$3,992 was allocated to reserves as follows: \$277 to the unemployment insurance reserve, \$381 to the workers' compensation reserve, \$733 to employee benefit accrued liability reserve, and \$2,601 to the retirement contribution reserve - employees' retirement system.

Transfer to Reserves

The District funded the workers' compensation reserve in the amount of \$363,252, the unemployment insurance reserve in the amount of \$228,282, the employee benefit accrued liability reserve in the

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

amount of \$726,632, the retirement contribution reserve-employees' retirement system for \$718,110, the retirement contribution reserve-teachers' retirement system for \$700,000, the capital reserve in the amount of \$210,752, and the repair reserve in the amount of \$50,000 from the unassigned fund balance.

Closing, Unassigned Fund Balance

Based upon the summary of changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of \$3,310,235. This is an increase of \$1,481,634 from the unassigned balance from the prior year and represents 4.00% of the District's 2021-2022 operating budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets:

At June 30, 2021, the District had invested in a broad range of capital assets, including land, buildings and improvements, site improvements, and machinery, and equipment. The net decrease in capital assets is due to depreciation expense exceeding capital additions recorded for the fiscal year ended June 30, 2021. A summary of the District's capital assets, net of depreciation at June 30, 2021 and 2020, is as follows:

Category	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)	Percentage Change
Land	\$ 3,484,000	\$ 3,484,000	\$ -	0.00%
Construction in progress	384,897	-	384,897	N/A
Buildings and improvements	44,547,290	46,470,358	(1,923,068)	(4.14%)
Site improvements	175,024	200,144	(25,120)	(12.55%)
Vehicles, machinery, and equipment	698,043	728,101	(30,058)	(4.13%)
Net Capital Assets	\$ 49,289,254	\$ 50,882,603	\$ (1,593,349)	(3.13%)

The District spent \$121,223 in the general fund on improvements and machinery and equipment, and \$384,897 in the capital projects fund on construction in progress for the fiscal year ended June 30, 2021. The District also had \$2,099,469 in depreciation expense. See Note 8 to the financial statements for detail.

B. Debt Administration:

At June 30, 2021, the District had total bonds payable of \$5,690,000. A summary of the outstanding bonds at June 30, 2021 and 2020 is as follows:

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issue Date	2021	2020	Increase (Decrease)
7/21/2015	\$ 3,355,000	\$ 4,430,000	\$ (1,075,000)
10/23/2013	2,335,000	3,425,000	(1,090,000)
	<u>\$ 5,690,000</u>	<u>\$ 7,855,000</u>	<u>\$ (2,165,000)</u>

At June 30, 2021, the District had total energy performance contract payable of \$6,792,757. A summary of the outstanding energy performance contract payable at June 30, 2021 and 2020 is as follows:

Issue Date	Final Maturity	Interest Rate	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)
5/24/2016	5/24/2031	2.32%	<u>\$ 6,792,757</u>	<u>\$ 7,389,623</u>	<u>\$ (596,866)</u>

+

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- A) The District designated voter approved budget for 2021-2022 is \$82,755,890. This is an increase of \$1,527,980 or 1.88% from the previous year's budget. The uncertainty in state aid and federal funds, as well as potential operating adjustments that may be needed due to COVID-19 may impact the District's future budgets.
- B) On September 15, 2021, the District issued tax anticipation notes (TANs) for \$10,000,000, maturing on June 24, 2022. The TAN has a stated interest rate of 1.25%.
- C) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.
- D) The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at:

Anthony Cedrone, CPA
Assistant Superintendent for Business
Wantagh Union Free School District
3301 Beltagh Avenue
Wantagh, New York 11793

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

EXHIBIT 2

ASSETS	
Current Assets	
Cash and cash equivalents	
Unrestricted	\$ 6,954,046
Restricted	5,855,105
Tax Receivables	1,169,666
Receivables	
State and federal aid	2,211,724
Due from other governments	89,598
Accounts receivables	9,369
Inventories	3,947
Non Current Assets	
Capital assets	
Not being depreciated	3,868,897
Being depreciated, net of accumulated depreciation	45,420,357
TOTAL ASSETS	<u>65,582,709</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges from refunding of debt	200,880
Total other post-employment benefits obligation	31,878,029
Pensions	24,327,072
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>56,405,981</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>121,988,690</u>
LIABILITIES	
Payables	
Accounts payable	363,934
Accrued liabilities	1,062,107
Due to other governments	251,465
Due to teachers' retirement system	3,550,137
Due to employees' retirement system	322,586
Student deposits	15,198
Accrued interest payable	63,755
Short-term notes payable	
Compensated absences payable	185,762
Unearned credits	
Collections in advance	16,424
Long-term liabilities	
Due within one year	
Bonds payable (inclusive of unamortized premiums)	2,315,073
Energy performance contract payable	610,823
Compensated absences payable	305,000
Due in more than one year	
Bonds payable (inclusive of unamortized premiums)	3,552,486
Energy performance contract payable	6,181,934
Total other post-employment benefits obligation	145,265,930
Workers' compensation claims payable	290,048
Compensated absences payable	2,747,868
Net pension liability - proportionate share - teachers' retirement system	5,687,179
Net pension liability - proportionate share - employees' retirement system	18,855
TOTAL LIABILITIES	<u>172,806,564</u>
DEFERRED INFLOWS OF RESOURCES	
Total other post-employment benefits obligation	38,945,704
Pensions	8,666,384
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>47,612,088</u>
NET POSITION	
Net investment in capital assets	<u>36,829,818</u>
Restricted	
Workers' compensation	690,133
Unemployment insurance	400,000
Employee benefit accrued liability	1,327,365
Retirement contribution	
Employee retirement system	2,150,000
Teachers retirement system	700,000
Capital	218,765
Repair reserve	50,000
Scholarships	1,080
Debt service-principal and interest	319,141
	<u>5,856,484</u>
Unrestricted (deficit)	<u>(141,116,264)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (98,429,962)</u>

See Accompanying Notes to Financial Statements.

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
General support	\$ 14,213,797	\$	\$	\$ (14,213,797)
Instruction	69,136,371	115,669	1,285,320	(67,735,382)
Pupil transportation	3,437,489			(3,437,489)
Debt service - interest	443,230			(443,230)
Food service program	1,195,229	53,831	1,002,781	(138,617)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 88,426,116</u>	<u>\$ 169,500</u>	<u>\$ 2,288,101</u>	<u>(85,968,515)</u>
GENERAL REVENUES				
Real property taxes				55,568,960
STAR and other real property tax items				6,556,267
Use of money and property				211,960
Sales of property and compensation for loss				80,408
State and federal sources				17,926,409
Miscellaneous				565,573
TOTAL GENERAL REVENUES				<u>80,909,577</u>
CHANGE IN NET POSITION				(5,058,938)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR AS RESTATED (SEE NOTE 19)				<u>(93,371,024)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (98,429,962)</u>

See Accompanying Notes to Financial Statements.

**WANTAGH UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total
ASSETS							
Cash and cash equivalents							
Unrestricted	\$ 6,252,886	\$ 143,092	\$ 39,754	\$ 166,379	\$ -	\$ 351,935	\$ 6,954,046
Restricted	5,528,250			1,080	317,762	8,013	5,855,105
Receivables							
Tax Receivables	1,169,666						1,169,666
State and federal aid	1,615,113	303,454	293,157				2,211,724
Due from other governments			89,598				89,598
Due from other funds	641,217				1,379	243,297	885,893
Accounts receivables	9,369						9,369
Inventories		3,947					3,947
TOTAL ASSETS	\$ 15,216,501	\$ 450,493	\$ 422,509	\$ 167,459	\$ 319,141	\$ 603,245	\$ 17,179,348
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Payables							
Accounts payable	\$ 224,608	\$ 139,303	\$ 23	\$ -	\$ -	\$ -	\$ 363,934
Accrued liabilities	1,048,640		13,467				1,062,107
Due to other governments	249,993	1,472					251,465
Due to other funds	243,297	232,198	409,019			1,379	885,893
Due to teachers' retirement system	3,550,137						3,550,137
Due to employees' retirement system	322,586						322,586
Student deposits	15,198						15,198
Compensated absences payable	185,762						185,762
Unearned credits							
Collections in advance	1,800	14,624					16,424
TOTAL LIABILITIES	5,842,021	387,597	422,509	-	-	1,379	6,653,506
FUND BALANCES							
Nonspendable inventory		3,947					3,947
Restricted							
Workers' compensation	690,133						690,133
Unemployment insurance	400,000						400,000
Employee benefit accrued liability	1,327,365						1,327,365
Retirement contribution							
Employee retirement system	2,150,000						2,150,000
Teachers retirement system	700,000						700,000
Capital	210,752					8,013	218,765
Repair reserve	50,000						50,000
Scholarships				1,080			1,080
Debt service-principal and interest					319,141		319,141
Assigned							
Unappropriated fund balance	535,995	58,949		166,379		593,853	1,355,176
Unassigned	3,310,235						3,310,235
TOTAL FUND BALANCES	9,374,480	62,896	-	167,459	319,141	601,866	10,525,842
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,216,501	\$ 450,493	\$ 422,509	\$ 167,459	\$ 319,141	\$ 603,245	\$ 17,179,348

See Accompanying Notes to Financial Statements.

**WANTAGH UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Governmental Fund Balances \$ 10,525,842

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

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

Original cost of capital assets	\$ 118,627,979	
Accumulated depreciation	<u>(69,338,725)</u>	49,289,254

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows that will be recognized as expenditures in future periods amounted to:

Deferred charges on refunding	\$ 200,880	
Deferred outflows related to OPEB liability	31,878,029	
Deferred outflows related to pensions	<u>24,327,072</u>	56,405,981

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

Accrued interest on bonds and energy performance contract		(63,755)
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	\$ (5,867,559)	
Energy performance contract payable	(6,792,757)	
Total other post-employment benefits obligation	(145,265,930)	
Workers' compensation claims payable	(290,048)	
Compensated absences payable	(3,052,868)	
Net pension liability - proportionate share (TRS)	(5,687,179)	
Net pension liability - proportionate share (ERS)	<u>(18,855)</u>	(166,975,196)

Deferred inflows of resources - The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to total OPEB liability	\$ (38,945,704)	
Deferred inflows related to pensions	<u>(8,666,384)</u>	(47,612,088)

Total Net Position (Deficit)		<u>\$ (98,429,962)</u>
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WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total
REVENUES							
Real property taxes	\$ 55,568,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,568,960
STAR and other real property tax items	6,556,267						6,556,267
Charges for services	1,330			114,339			115,669
Use of money and property	210,546	35			1,379		211,960
Sale of property and compensation for loss	80,408						80,408
Miscellaneous	565,922			800			566,722
State sources	18,135,292	41,965	218,244			249,676	18,645,177
Federal sources	244,381	906,489	851,634				2,002,504
Surplus food		54,327					54,327
School lunch sales		53,831					53,831
TOTAL REVENUES	81,363,106	1,056,647	1,069,878	115,139	1,379	249,676	83,855,825
EXPENDITURES							
General support	8,871,714		84,498				8,956,212
Instruction	45,007,343		1,234,321	118,694			46,360,358
Pupil transportation	3,302,168		19,595				3,321,763
Food service program		1,195,229					1,195,229
Employee benefits	18,012,438		4,682				18,017,120
Debt service - principal	2,761,866						2,761,866
Debt service - interest	475,009						475,009
Capital outlay						384,897	384,897
TOTAL EXPENDITURES	78,430,538	1,195,229	1,343,096	118,694	-	384,897	81,472,454
EXCESS (DEFICIENCY)							
OF REVENUES OVER EXPENDITURES	2,932,568	(138,582)	(273,218)	(3,555)	1,379	(135,221)	2,383,371
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in	675,428	200,000	273,218		68,466		1,217,112
Operating transfers out	(473,218)					(743,894)	(1,217,112)
TOTAL OTHER FINANCING SOURCES AND (USES)	202,210	200,000	273,218	-	68,466	(743,894)	-
NET CHANGE IN FUND BALANCES	3,134,778	61,418	-	(3,555)	69,845	(879,115)	2,383,371
FUND BALANCES - BEGINNING OF YEAR							
AS RESTATED (SEE NOTE 19)	6,239,702	1,478	-	171,014	249,296	1,480,981	8,142,471
FUND BALANCES - END OF YEAR	\$ 9,374,480	\$ 62,896	\$ -	\$ 167,459	\$ 319,141	\$ 601,866	\$ 10,525,842

**WANTAGH UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Net change in fund balances		\$ 2,383,371
Amounts reported for governmental activities in the Statements of Activities are different because:		
Long-term revenue and expense differences		
Claims payable in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Claims payable for the fiscal year ended June 30, 2021 changed by:		72,453
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2021 changed by:		324,844
Changes in the proportionate share of net pension asset/(liability), and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Total other post-employment benefits obligation	\$ (4,588,753)	
Teachers' retirement system	(4,444,652)	
Employees' retirement system	<u>482,150</u>	(8,551,255)
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).		(488,647)
Capital related differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities		
Capital outlays	\$ 506,120	
Depreciation expense	<u>(2,099,469)</u>	(1,593,349)
Long-term debt differences		
Repayment of bond principal and energy performance contract principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		2,761,866
Premiums and discounts on long-term debt issuances and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. The amount that was amortized in the current year was:		13,113
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 thus requires the use of current financial resources. In the Statements of Activities, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from July 1, 2020 to June 30, 2021 changed by:		<u>18,666</u>
Change in net position		<u>\$ (5,058,938)</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021**

	Custodial
ASSETS	
Restricted cash and cash equivalents	\$ -
TOTAL ASSETS	\$ -
LIABILITIES	
Other liabilities	\$ -
TOTAL LIABILITIES	-
NET POSITION	
Restricted	-
TOTAL NET POSITION	-
TOTAL LIABILITIES AND NET POSITION	\$ -

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Custodial
ADDITIONS	
Library real property taxes collected	\$ 2,695,590
TOTAL ADDITIONS	2,695,590
DEDUCTIONS	
Library real property taxes disbursed	2,695,590
TOTAL DEDUCTIONS	2,695,590
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	\$ -

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

A) Reporting entity:

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

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

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

Joint venture:

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

BOCES is organized under Section §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation under Section §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n(a) of the New York State General Municipal Law.

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A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment as defined in New York State Education Law, Section §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

B) Basis of presentation:

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants and contributions include capital specific grants and donations for scholarships, if applicable.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

Debt Service Fund: This fund accounts for the accumulation of resources that are restricted to expenditure for principal and interest on long-term general obligation debt of governmental activities. Debt service funds should be used to report resources if legally mandated.

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

The District reports the following fiduciary fund:

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

C) Measurement focus and basis of accounting:

The District-Wide and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 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, energy performance contract debt, claims and judgments, compensated absences, total other post-employment benefits and net pension liabilities which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D) Real property taxes:

Calendar

Real property taxes are levied annually by the Board no later than August 15 and become a lien on October 1 and April 1. The District tax levy is collected by the Town of Hempstead during the period October 1 through November 10, and April 1 through May 10 without penalty and are remitted to the District from December through June.

Enforcement

Uncollected real property taxes are subsequently enforced by the County of Nassau (the "County"). The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following August 15.

E) Restricted resources:

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

F) 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 expenditures and revenues to provide financing or other services.

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables 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.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenue activity.

G) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources, liabilities and deferred inflows of

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

resources, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, workers' compensation claims, potential contingent liabilities, total other post-employment benefits, pension liabilities and useful lives of capital assets.

H) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

I) Receivables:

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

J) Inventories and prepaid items:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates market.

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

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and Fund Financial Statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items at June 30, 2021.

K) 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 time received.

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 50,000	Straight Line	20-50 Years
Site improvements	\$ 25,000	Straight Line	20 Years
Vehicles, machinery and equipment	\$ 5,000	Straight Line	5-20 Years

L) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. First is the unamortized amount of deferred charges from the refunding of bonds that is being amortized as a component of interest expense on a straight-line basis over the life of the debt, detailed further in Note 11. The other two amounts are related to total other post-employment benefits liability and pensions reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 12.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The two amounts are related to total other post-employment benefits liability and pensions reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 12.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The District-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus. The District had no deferred inflows of resources as of June 30, 2021.

M) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of money received in advance for summer programs in the general fund and prepaid balances for meals in the school lunch fund.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

N) Vested employee benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated sick leave and vacation 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 contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated 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. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30.

O) Other benefits:

Eligible District employees participate in the New York State Teachers' Retirement System and the New York State 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 Section 457.

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

P) Short-term debt:

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

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District has issued and redeemed TANs totaling \$13,250,000 in the fiscal year ended June 30, 2021. See Note 10 for further detail.

Q) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the District-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, compensated absences, net pension liabilities, and total other post-employment benefits obligation that will be paid from governmental funds, are reported as liabilities in the Fund 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 liabilities 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 or due within more than one year in the Statement of Net Position.

R) Equity classifications:

District-Wide Financial Statements:

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, net of any unexpected proceeds and including any unamortized items (discounts, premiums, gain on refunding).

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Restricted net position – reports net position constraints placed on assets that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Fund Financial Statements:

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

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2021, the District has \$3,947 in nonspendable fund balance for inventory recorded in the school lunch 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.

The District has classified the following reserves as restricted:

Workers' compensation reserve - 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. Within 60 days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment insurance reserve - According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance.

Employee benefit accrued liability reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund under restricted fund balance.

**WANTAGH UNION FREE SCHOOL DISTRICT
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Retirement contribution reserve - According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Effective April 1, 2019, a board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

Capital reserve - According to Education Law §3651, must be 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. Expenditures may be made from the reserve only for a specific purpose 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. Restricted for capital in the capital projects fund includes the fund balance for projects that are funded by Smart Schools Bonds.

Repair Reserve - Repair reserve (GML§6-d) is used to pay the costs of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval may establish a repair reserve fund by a majority 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 under restricted fund balance.

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 in the miscellaneous special revenue fund.

Debt service - Used to account for the accumulation of resources that are restricted to pay debt service. The fund includes all unexpended balances proceeds of borrowing for capital projects, interest and earnings from investment in proceeds of borrowing premiums. These restricted funds are accounted for in the debt service fund.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Unrestricted Resources:

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

Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e., the Board). The District has no committed fund balances as of June 30, 2021.

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. All encumbrances are classified as assigned fund balances. The amount appropriated for the subsequent year's budget of the general fund is classified as assigned fund balance in the general fund.

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

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2021 is within the legal limits.

Fund Balance Classification

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

The Board shall designate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (that is restricted, assigned or unassigned), 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.

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S) New accounting pronouncements:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 19 for further consideration.

U) Future accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources.

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

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE DISTRICT-WIDE STATEMENTS

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences

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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.

Capital related differences:

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

Long-term debt differences:

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

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal budgets are adopted.

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

Appropriations are adopted at the program line-item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 are increased by the planned use of specific reserves, and amendments approved the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5 Schedules of Change from Adopted Budget to Final Budget – General Fund.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the 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.

WANTAGH UNION FREE SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 assignments or restrictions of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities.

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

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

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

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

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2021 included \$5,855,105 within the governmental funds for general reserves and amounts restricted for scholarships, debt service, and capital projects.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PARTICIPATION IN BOCES

During the fiscal year the District was billed \$4,831,950 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,672,499. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box CS9195, Garden City, New York 11530-9195.

NOTE 6 - STATE AND FEDERAL AID RECEIVABLE

State and federal aid receivable at June 30, 2021 consisted of the following:

General fund	
BOCES aid	\$ 757,627
Basic aid	325,841
Excess cost aid	531,645
Total - General fund	<u>1,615,113</u>
School lunch fund	
Federal aid	289,853
State aid	13,554
Sales tax	47
Total - School lunch fund	<u>303,454</u>
Special aid fund	
Federal grants	139,127
State grants	154,030
Total - Special aid fund	<u>293,157</u>
Total - All funds	<u>\$ 2,211,724</u>

District management has deemed these amounts to be fully collectible.

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Due from other governments in the special aid fund at June 30, 2021 consisted of the Nassau County grants amounting to \$89,598 for a softball field at the High School and playgrounds at the elementary schools. The District management has deemed these amounts to be fully collectible.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Retirements and Reclassifications	Balance June 30, 2021
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 3,484,000	\$ -	\$ -	\$ 3,484,000
Construction in progress		384,897		384,897
Total capital assets not be depreciated	<u>3,484,000</u>	<u>384,897</u>	<u>-</u>	<u>3,868,897</u>
Capital assets being depreciated				
Buildings and improvements	111,796,656	20,177		111,816,833
Site improvements	987,017	17,288		1,004,305
Machinery and equipment	1,407,473	83,758		1,491,231
Vehicles	446,713			446,713
Total	<u>114,637,859</u>	<u>121,223</u>	<u>-</u>	<u>114,759,082</u>
Accumulated depreciation				
Buildings and improvements	65,326,298	1,943,245		67,269,543
Site improvements	786,873	42,408		829,281
Machinery and equipment	759,969	87,194		847,163
Vehicles	366,116	26,622		392,738
Total	<u>67,239,256</u>	<u>2,099,469</u>	<u>-</u>	<u>69,338,725</u>
Net capital assets being depreciated	<u>47,398,603</u>	<u>(1,978,246)</u>	<u>-</u>	<u>45,420,357</u>
Net capital assets	<u>\$ 50,882,603</u>	<u>\$ (1,593,349)</u>	<u>\$ -</u>	<u>\$ 49,289,254</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 51,786
Instruction	2,029,565
Transportation	18,118
	<u>\$ 2,099,469</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 9 - INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2021, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 641,217	\$ 243,297	\$ 675,428	\$ 473,218
School lunch fund		232,198	200,000	
Special aid fund		409,019	273,218	
Debt service fund	1,379		68,466	
Capital projects fund	243,297	1,379		743,894
Totals	<u>\$ 885,893</u>	<u>\$ 885,893</u>	<u>\$ 1,217,112</u>	<u>\$ 1,217,112</u>

The District transferred \$200,000 from the general fund to the school lunch fund to subsidize the loss in the food service operations.

The District transferred \$273,218 from the general fund to the special aid fund to cover the District's portion of the summer program for students with disabilities and state supported Section 4201 schools.

The District transferred \$675,428 from the capital projects fund to the general fund for completed projects with unneeded authorizations funded with budgetary appropriations.

The District transferred \$68,466 from the capital projects fund to the debt service fund for completed projects with unneeded authorizations funded with bond proceeds.

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.

NOTE 10 - SHORT-TERM DEBT

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Balance June 30, 2020	Issued	Redeemed	Balance June 30, 2021
TAN	6/25/21	1.25%	\$ -	\$ 6,500,000	\$ 6,500,000	\$ -
TAN	6/25/21	1.50%	-	6,750,000	6,750,000	-
Total			<u>\$ -</u>	<u>\$ 13,250,000</u>	<u>\$ 13,250,000</u>	<u>\$ -</u>

The TAN was issued for the purpose of providing cash flow to the general fund in anticipation of revenues from real property taxes.

Interest on short-term debt for the fiscal year amounted to \$90,257.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 - LONG-TERM LIABILITIES

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 7,855,000	\$ -	\$ 2,165,000	\$ 5,690,000	\$ 2,235,000
Add: premium on obligation	257,632		80,073	177,559	80,073
	8,112,632		2,245,073	5,867,559	2,315,073
Energy performance contract payable	7,389,623		596,866	6,792,757	610,823
Other long-term liabilities:					
Total other post-employment benefits obligation	155,045,058	22,123,269	31,902,397	145,265,930	
Workers' compensation claims payable	362,501	72,216	144,669	290,048	
Compensated absences payable	3,377,712		324,844	3,052,868	305,000
Net pension liability-proportionate share-TRS		14,033,859	8,346,680	5,687,179	
Net pension liability-proportionate share-ERS	5,221,555	579,915	5,782,615	18,855	
Total long-term liabilities	\$ 179,509,081	\$ 36,809,259	\$ 49,343,144	\$ 166,975,196	\$ 3,230,896

The general fund is typically used to liquidate long-term liabilities such as bonds payable, energy performance contract payable, total other post-employment benefits, workers' compensation claims payable, compensated absences payable and net pension liability-proportionate share-TRS and ERS.

A) Bonds Payable

Bonds payable, which were issued for capital construction, are comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Serial bonds	7/21/2015	11/15/2023	1.00-3.00%	\$ 3,355,000
Serial bonds	10/23/2013	9/1/2022	2.00-5.00%	2,335,000
				\$ 5,690,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 2,235,000	\$ 144,400	\$ 2,379,400
2023	2,315,000	63,875	2,378,875
2024	1,140,000	11,400	1,151,400
	\$ 5,690,000	\$ 219,675	\$ 5,909,675

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Upon default of the payment of principal and interest on the serial bond holders of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

B) Energy Performance Contract Payable

Energy performance contract payable, which were issued for capital construction, is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract payable	5/24/2016	5/24/2031	2.32%	<u>\$ 6,792,757</u>

The following is a summary of debt service outstanding and requirements for the energy performance contract payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 610,823	\$ 154,395	\$ 765,218
2023	625,106	140,112	765,218
2024	639,724	125,494	765,218
2025	654,683	110,535	765,218
2026	669,993	95,225	765,218
2027-2031	<u>3,592,428</u>	<u>233,662</u>	<u>3,826,090</u>
	<u>\$ 6,792,757</u>	<u>\$ 859,423</u>	<u>\$ 7,652,180</u>

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

Interest paid	\$ 384,752
Plus interest accrued in the current year	63,755
Plus amortization of deferred charges from bond refunding	66,960
Less interest accrued in the prior year	(82,421)
Less amortization of bond refunding premium	<u>(80,073)</u>
Total long-term debt interest expense	<u>\$ 352,973</u>

C) Bond Refunding

In the District-Wide Financial Statements, the District is amortizing deferred charges on refunding and a refunding bond premium as a component of interest expense on a straight-line basis as follows:

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fiscal Year Ended June 30,	Deferred Charges	Deferred Premium on Refunding	Total
2022	\$ 66,960	\$ (80,073)	\$ (13,113)
2023	66,960	(80,073)	(13,113)
2024	66,960	(17,413)	49,547
Total	<u>\$ 200,880</u>	<u>\$ (177,559)</u>	<u>\$ 23,321</u>

NOTE 12 - PENSION PLANS

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

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

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the "System"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php

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NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244.

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll was 19.60% for Tier 2, 16.10% for Tier 3 & 4, 13.40% for Tier 5 and 9.60% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2021 and 2020 for covered payroll was 9.53% and 8.86%, respectively.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year based on covered payroll for the District's year end was \$1,062,062 for ERS and \$3,328,534 for TRS.

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

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset liability for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate

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the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension (liability)	\$ (18,855)	\$ (5,687,179)
District's portion of the Plan's total net pension liability	0.0189361%	0.205813%
Change in proportion since the prior measurement date	(0.0000078)	0.0000367

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$579,915 for ERS and pension expense of \$7,774,965 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources is:

	<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	\$ 230,276	\$ 4,983,107	\$ -	\$ 291,457
Net difference between projected and actual earnings on pension plan investments		3,714,226	5,416,389	
Change of assumptions	3,466,905	7,192,958	65,387	2,563,914
Changes in proportion and differences between the District's contributions and proportionate share of contributions	475,603	612,877	140,901	188,336
District's contributions subsequent to the measurement date	322,586	3,328,534		
	<u>\$ 4,495,370</u>	<u>\$ 19,831,702</u>	<u>\$ 5,622,677</u>	<u>\$ 3,043,707</u>

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

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Fiscal Year ended:	<u>ERS</u>	<u>TRS</u>
2021	\$ -	\$ 2,333,490
2022	(209,694)	4,590,303
2023	(4,888)	3,782,028
2024	(220,878)	2,359,322
2025	(1,014,433)	155,466
2026		238,852
	<u>\$ (1,449,893)</u>	<u>\$ 13,459,461</u>

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:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.9%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.70%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2020 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, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

For TRS, the long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections 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

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returns, net of investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2021		June 30, 2020	
<u>Asset type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.05%	33%	7.1%
International equity	15%	6.30%	16%	7.7%
Global equity			4%	7.4%
Private equity	10%	6.75%	8%	10.4%
Real estate	9%	4.95%	11%	6.8%
Opportunistic/ARS portfolio	3%	4.50%		
Real assets	3%	5.95%		
Credit	4%	3.63%		
Cash	1%	0.50%		
Domestic fixed income securities	23%		16%	1.8%
Global bonds			2%	1.0%
High-yield bonds			1%	3.9%
Private debt			1%	5.2%
Real estate debt			7%	3.6%
Short-term			1%	0.7%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.0% for ERS, and 2.2% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% 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.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-

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percentage-point lower (4.9% for ERS and 6.1% for TRS) or 1-percentage-point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset/(liability)	\$ (5,233,538)	\$ (18,855)	\$ 4,790,302
TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
District's proportionate share of the net pension asset/(liability)	\$ (35,923,949)	\$ (5,687,179)	\$ 19,689,134

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension (liability)	\$ (220,680,157)	\$ (123,242,776)
Plan net position	220,580,583	120,479,505
Employers' net pension asset/(liability)	\$ (99,574)	\$ (2,763,271)
Ratio of plan net position to the Employers' total pension asset/(liability)	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$322,586.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as

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reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$3,550,137.

NOTE 13 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A) Plan descriptions:

The District's OPEB Plan (the "Plan") defined as a single employer defined benefit plan, primarily provides post-employment 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, and Empire BlueCross BlueShield/Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit 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 Plan provides medical, dental, and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 50% and 80% of premiums for individual coverage, 0% and 80% for family coverage, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District also reimburses the employee and dependent spouse for the full cost of Medicare Part B. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2021, the District contributed an \$3,294,359 to the Plan, including \$3,294,359 for current premiums and \$0 to prefund benefits. Currently, there are no provisions in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

C) Employees covered by benefit terms:

At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees, spouses or beneficiaries currently receiving benefit payments	422
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	452
	<u>874</u>

D) Total OPEB liability:

The District's total OPEB liability of \$145,265,930 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

E) Actuarial assumptions and other inputs:

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	5.30%, decreasing to 4.10% over 55 years
Retirees' share of benefit-related costs	20% to 50% of projected health insurance premiums for individuals, 20% to 65% of premiums for family coverage, and 100% of surviving spouse coverage

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on PubT-2010 Headcount-Weighted Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2019 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. The assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the July 1, 2020 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

F) Changes in the total OPEB liability:

Balance at June 30, 2020	\$ 155,045,058
Service cost	5,383,798
Interest	3,509,274
Differences between expected and actual experience	
Changes of assumptions or other inputs	(15,377,841)
Benefit payments	(3,294,359)
Net changes	<u>(9,779,128)</u>
Balance at June 30, 2021	<u>\$ 145,265,930</u>

There were no significant plan changes since the last valuation.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in assumptions or other inputs include the change in discount rate from 2.21% to 2.16% and the adoption of the Pub-2010 Mortality Table from the RP-2014 adjusted to 2006 Total Dataset Mortality Table in the prior year with generational projection of future improvements per the MP-2019 Ultimate Scale.

G) Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (1.16%) or 1- percentage point higher (3.16%) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	<u>\$ 173,689,032</u>	<u>\$ 145,265,930</u>	<u>\$ 122,936,003</u>

H) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (4.30%) or 1-percentage point higher (6.30%) than the current healthcare cost trend rate:

	<u>1% Decrease (4.30% decreasing to 3.10%)</u>	<u>Healthcare Cost Trend Rates (5.30% decreasing to 4.10%)</u>	<u>1% Increase (6.30% decreasing to 5.10%)</u>
Total OPEB liability	<u>\$ 123,058,405</u>	<u>\$ 145,265,930</u>	<u>\$ 174,888,268</u>

I) OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$7,883,112. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,896,346	\$ (24,789,345)
Changes of assumptions or other inputs	<u>28,981,683</u>	<u>(14,156,359)</u>
	<u>\$ 31,878,029</u>	<u>\$ (38,945,704)</u>

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

Fiscal Year ended June 30:	
2022	\$ (1,009,960)
2023	(1,009,960)
2024	(1,009,960)
2025	(1,009,960)
2026	(289,312)
Thereafter	<u>(2,738,523)</u>
	<u>\$ (7,067,675)</u>

NOTE 14 - OTHER RETIREMENT PLANS

A) Tax Sheltered Annuities:

The District has adopted a 403(b)-plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions and related expenditures made by the District and the employees for the fiscal year ended June 30, 2021, totaled \$210,501 and \$2,361,141 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2021 totaled \$235,390.

NOTE 15 - RISK MANAGEMENT

A) General:

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

parties. Settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

B) Consortiums and self-insured plans:

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 claims which were incurred on or before year-end but not paid. Liabilities do not include an amount for reported claims which were incurred on or before year-end but not reported (IBNR). Had an actuary valuation been performed, the liability amount may have significantly changed. Claims activity is summarized below:

	<u>2021</u>	<u>2020</u>
Unpaid claims at beginning of year	\$ 362,501	\$ 247,720
Incurred claims and claim adjustment expenses	72,216	338,666
Unpaid claims at year end	(144,669)	(223,885)
	<u>\$ 290,048</u>	<u>\$ 362,501</u>

NOTE 16 - FUND BALANCES

The following is a summary of the change in general fund restricted fund balance during the year ended June 30, 2021:

<u>Reserve</u>	<u>Balance June 30,2020</u>	<u>Additions</u>	<u>Amounts Expended</u>	<u>Balance June 30,2021</u>
Workers' compensation	\$ 450,000	\$ 363,633	\$ 123,500	\$ 690,133
Unemployment insurance	245,000	228,559	73,559	400,000
Employee benefit accrued liability	900,000	727,365	300,000	1,327,365
Retirement contribution - ERS	2,129,289	720,711	700,000	2,150,000
Retirement contribution - TRS		700,000		700,000
Capital reserve		210,752		210,752
Repair reserve		50,000		50,000
Total	<u>\$ 3,724,289</u>	<u>\$ 3,001,020</u>	<u>\$ 1,197,059</u>	<u>\$ 5,528,250</u>

NOTE 17 - COMMITMENTS AND CONTINGENCIES

A) Encumbrances:

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

General fund	
General support	\$ 342,025
Instructional	189,461
Pupil transportation	4,509
Total general fund	<u>\$ 535,995</u>
School lunch fund	
Food service program	<u>\$ 74,887</u>
Special aid fund	
Instructional	<u>\$ 578</u>
Capital projects fund	
Capital projects	<u>\$ 204,749</u>

B) 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.

C) Litigation:

As of June 30, 2021, we are unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

NOTE 18 - TAX ABATEMENTS

The Nassau County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced by \$364,885 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$83,082 related to these programs.

NOTE 19 – RESTATEMENT OF FUND BALANCES / NET POSITION

During the year ended June 30, 2021, the District implemented GASB Statement No. 84. The adoption and implementation of this Statement resulted in the reporting changes in current and other assets and current and other liabilities. The District's net fund balance and net position have been restated as follows:

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Miscellaneous Special Revenue Fund	Statement of Net Position/ (Deficit)
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Reported	\$ 6,239,702	\$ -	\$ (93,542,038)
Assets			
Cash	725,149	169,984	895,133
Cash - restricted		1,030	1,030
Due from fiduciary fund	(278,722)		(278,722)
Total Assets	446,427	171,014	617,441
Liabilities			
Current and other liabilities	446,427		446,427
Total Liabilities	446,427	-	446,427
Fund Balance/Net Position (Deficit)			
Restricted for scholarships		1,030	1,030
Assigned unappropriated fund balance		169,984	169,984
Total Fund Balance/Net Position	-	171,014	171,014
Net increase (decrease) in Fund Balance/ Net Position	-	171,014	171,014
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Restated	\$ 6,239,702	\$ 171,014	\$ (93,371,024)

NOTE 20 - SUBSEQUENT EVENTS

Management of the District evaluated events through October 8, 2021 which is the date the financial statements were available to be issued, and noted the following:

- On September 15, 2021, the District issued tax anticipation notes in the amount of \$10,000,000 which are due to mature June 24, 2022 with an effective interest rate yield of 1.25%.
- In July 2021, the District was awarded Coronavirus Response and Relief Supplemental Appropriations (CRSSA) funding of \$2,073,141 through the Elementary and Secondary School Emergency Relief Program (ESSER) and \$381,830 through the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as expended, as well as reimbursements to the general fund for amounts expended in the 2020/2021 fiscal year.

SUPPLEMENTARY INFORMATION

WANTAGH UNION FREE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance With	
				Budgetary Actual	Actual
REVENUES					
Local sources					
Real property taxes	\$ 55,123,989	\$ 55,568,960	\$ 55,568,960	\$ -	
STAR and other real property tax items	6,900,621	6,455,650	6,556,267	100,617	
Charges for services	52,027	52,027	1,330	(50,697)	
Use of money and property	283,000	283,000	210,546	(72,454)	
Sale of property and compensation for loss			80,408	80,408	
Miscellaneous	293,273	293,773	565,922	272,149	
State aid	17,875,000	17,875,000	18,135,292	260,292	
Federal aid		214,642	244,381	29,739	
TOTAL REVENUES	80,527,910	80,743,052	81,363,106	\$ 620,054	
Appropriated reserves	1,386,812	1,893,566			
TOTAL REVENUES, APPROPRIATED FUND BALANCE AND RESERVES	\$ 81,914,722	\$ 82,636,618			
EXPENDITURES					
General support					
Board of education	\$ 159,189	\$ 154,189	\$ 150,693	\$ -	\$ 3,496
Central administration	396,817	402,617	400,704		1,913
Finance	965,853	976,240	944,505	29,020	2,715
Staff	352,102	358,560	335,577	18,468	4,515
Central services	6,440,829	6,616,769	6,144,100	294,537	178,132
Special items	898,148	903,418	896,135		7,283
Total general support	9,212,938	9,411,793	8,871,714	342,025	198,054
Instructional					
Instruction, administration, and improvement	4,029,655	4,363,516	4,275,966		87,550
Teaching - regular school	25,190,664	25,174,436	24,496,890	9,495	668,051
Programs for children with special needs	9,581,782	9,183,502	8,906,403	130,757	146,342
Occupational education	493,330	474,331	449,158		25,173
Teaching - special school	337,638	355,456	225,863		129,593
Instructional media	2,552,381	2,906,272	2,670,616	6,265	229,391
Pupil services	4,599,278	4,373,076	3,982,447	42,944	347,685
Total instructional	46,784,728	46,830,589	45,007,343	189,461	1,633,785
Pupil transportation					
	3,929,275	3,929,976	3,302,168	4,509	623,299
Employee benefits					
	18,536,163	18,700,232	18,012,438	-	687,794
Debt service					
Debt service principal	2,761,866	2,761,866	2,761,866		-
Debt service interest	509,752	531,065	475,009		56,056
Total debt service	3,271,618	3,292,931	3,236,875	-	56,056
TOTAL EXPENDITURES	81,734,722	82,165,521	78,430,538	535,995	3,198,988
Other financing sources uses					
Transfers from other funds			675,428		(675,428)
Transfers to other funds	(180,000)	(471,097)	(473,218)		2,121
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 81,914,722	\$ 82,636,618	78,228,328	\$ 535,995	\$ 3,872,295
NET CHANGE IN FUND BALANCE			3,134,778		
FUND BALANCE - BEGINNING OF YEAR			6,239,702		
FUND BALANCE - END OF YEAR			\$ 9,374,480		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America. Annual budgets are not adopted for the Special Aid Fund and School Lunch Fund as the District is not legally required to adopt these budgets annually.

**WANTAGH UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST FOUR YEARS ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 5,383,798	\$ 4,480,232	\$ 5,928,445	\$ 5,895,967
Interest	3,509,274	4,455,110	4,231,558	4,031,910
Changes of benefit terms				
Differences between expected and actual experience	(28,608,038)		4,917,053	(187,364)
Changes of assumptions or other inputs	13,230,197	25,037,818	(24,032,890)	
Benefit payments	<u>(3,294,359)</u>	<u>(3,443,814)</u>	<u>(3,279,675)</u>	<u>(2,958,793)</u>
Net change in total OPEB liability	(9,779,128)	30,529,346	(12,235,509)	6,781,720
Total OPEB liability - beginning	<u>155,045,058</u>	<u>124,515,712</u>	<u>136,751,221</u>	<u>129,969,501</u>
Total OPEB liability - ending	<u>\$ 145,265,930</u>	<u>\$ 155,045,058</u>	<u>\$ 124,515,712</u>	<u>\$ 136,751,221</u>
Covered - employee payroll	\$ 39,458,368	\$ 37,921,843	\$ 37,921,843	\$ 42,403,978
Total OPEB Liability as a percentage of covered employee payroll	368.15%	408.85%	328.35%	322.50%

Trust Assets

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

Changes of Assumptions

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

The following are the discount rates used in each period:

2021	2.16%
2020	2.21%
2019	3.50%
2018	3.00%

The adoption of the Pub-2010 Mortality Table from the RP-2014 adjusted to 2006 Total Dataset Mortality Table in the prior year with generational projection of future improvements per the MP-2019 Ultimate Scale.

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

ERS Pension Plan										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,062,062	\$ 980,668	\$ 994,236	\$ 1,031,576	\$ 1,007,553	\$ 1,297,426	\$ 1,118,958	\$ 1,132,435	\$ 968,140	\$ 889,735
Contributions in relation to the contractually required contribution	1,062,062	980,668	994,236	1,031,576	1,007,553	1,297,426	1,118,958	1,132,435	968,140	889,735
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ 7,084,777	\$ 7,093,462	\$ 7,087,143	\$ 7,068,953	\$ 7,005,938	\$ 6,613,670	\$ 5,968,689	\$ 5,745,207	\$ 5,692,775	\$ 5,876,070
Contributions as a percentage of covered payroll	14.99%	13.82%	14.03%	14.59%	14.38%	19.62%	18.75%	19.71%	17.01%	15.14%
TRS Pension Plan										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 3,328,534	\$ 3,095,067	\$ 3,582,553	\$ 3,357,477	\$ 3,962,795	\$ 4,396,082	\$ 5,662,999	\$ 5,187,357	\$ 3,697,374	\$ 3,435,792
Contributions in relation to the contractually required contribution	3,328,534	3,095,067	3,582,553	3,357,477	3,962,795	4,396,082	5,662,999	5,187,357	3,697,374	3,435,792
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ 34,926,905	\$ 34,933,036	\$ 33,988,812	\$ 34,259,964	\$ 34,103,227	\$ 33,152,956	\$ 32,304,615	\$ 31,922,196	\$ 31,227,821	\$ 30,925,220
Contributions as a percentage of covered payroll	9.53%	8.86%	10.54%	9.80%	11.62%	13.26%	17.53%	16.25%	11.84%	11.11%

See Paragraph on Required Supplementary Information Included in Auditor's Report.

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

ERS Pension Plan							
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0189361%	0.0197184%	0.0194964%	0.0211987%	0.024218%	0.024139%	0.022974%
District's proportionate share of the net pension asset/(liability)	\$ (18,855)	\$ (5,221,555)	\$ (1,381,378)	\$ (684,177)	\$ (2,275,550)	\$ (3,874,309)	\$ (776,119)
District's covered payroll	\$ 6,966,587	\$ 7,134,027	\$ 7,076,976	\$ 6,797,871	\$ 7,036,845	\$ 7,078,444	\$ 5,968,689
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	0.27%	73.19%	19.52%	10.06%	32.34%	54.73%	13.00%
Plan fiduciary net position as a percentage of total pension asset/(liability)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
TRS Pension Plan							
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.205813%	0.202140%	0.210327%	0.213371%	0.214846%	0.215159%	0.216106%
District's proportionate share of the net pension asset/(liability)	\$ (5,687,179)	\$ 5,251,612	\$ 3,803,273	\$ 1,621,830	\$ (2,301,094)	\$ 22,348,134	\$ 24,072,842
District's covered payroll	\$ 34,933,036	\$ 33,988,812	\$ 34,259,964	\$ 34,103,227	\$ 33,152,956	\$ 32,304,615	\$ 31,922,196
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	16.28%	15.45%	11.10%	4.76%	6.94%	69.18%	75.41%
Plan fiduciary net position as a percentage of total pension asset/(liability)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

**WANTAGH UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND
AND SECTION 1318 REAL PROPERTY TAX LIMIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget		\$ 81,227,910
Add: Prior year's encumbrances		<u>686,812</u>
Original budget		81,914,722
Add: Budget revisions		
Appropriation of workers' compensation reserve	\$ 123,500	
Appropriation of unemployment insurance reserve	73,559	
Appropriation of employee benefit accrued liability reserve	300,000	
Federal aid - CARES Act	214,642	
Donations	500	
Insurance reimbursements	<u>9,695</u>	<u>721,896</u>
Final budget		<u><u>\$ 82,636,618</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter approved expenditure budget		<u>\$ 82,755,890</u>
Maximum allowed (4% of 2021-22 budget)		<u>\$ 3,310,236</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	\$ 535,995	
Unassigned fund balance	<u>3,310,235</u>	
Total unrestricted fund balance		<u>3,846,230</u>
Less:		
Encumbrances	<u>\$ 535,995</u>	
Total adjustments		<u>535,995</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law		<u><u>\$ 3,310,235</u></u>
Actual percentage		4.00%

WANTAGH UNION FREE SCHOOL DISTRICT
 OTHER SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Title	Original Authorization	Revised Authorization	Expenditures				Methods of Financing				Fund Balance June 30, 2021		
			Prior Years	Current Year	Transfers	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources			
Smart Schools Security and Technology	9004	\$ 9,645	\$ 1,340,358	\$ 1,288,523	\$ 35,403	\$ -	\$ 1,323,926	\$ 16,432	\$ -	\$ 1,331,939	\$ -	\$ 1,331,939	\$ 8,013
MS Locker Replacements	6024		500,000	318,129	23,984	157,887	500,000	-			500,000	500,000	-
Available Appropriations 2019-20	9999	700,000	252,087			252,087	252,087	-			252,087	252,087	-
Available Appropriations 2018-19	9999	600,000	310,000				-	310,000			310,104	310,104	310,104
HS Library Univent Replacement	1038		290,000		6,251		6,251	283,749			290,000	290,000	283,749
Available Smart Schools Bond Fund	9999	1,580,390	249,677		249,677		249,677	-		249,677		249,677	-
MS/HS Science Labs	1033	400,000	397,310	388,321		8,989	397,310	-			397,310	397,310	-
MS/HS Renovations	1033	642,573	754,922	754,922			754,922	-			754,922	754,922	-
Mandalay Renovations	4013	625,512	642,913	642,912		1	642,913	-			642,913	642,913	-
Forest Lake Renovations	5016	479,703	590,080	590,080			590,080	-			590,080	590,080	-
MS Boiler Replacement	6025		800,000	639,162	56,950	103,888	800,000	-			800,000	800,000	-
Available Bond Proceeds	9999	68,466	68,466			68,466	68,466	-	68,466			68,466	-
Forest Lake Renovations	5017		150,591	137,486		13,105	150,591	-			150,591	150,591	-
Middle School Renovations	6023		848,086	843,833		4,253	848,086	-			848,086	848,086	-
Mandalay Renovations	4014		32,207	32,207			32,207	-			32,207	32,207	-
High School Renovations	1034		674,392	618,608	12,632	43,152	674,392	-			674,392	674,392	-
High School Renovations	1035		538,328	502,375		35,953	538,328	-			538,328	538,328	-
High School Renovations	1036		797,526	792,080		5,446	797,526	-			797,526	797,526	-
Available Appropriations 2016-17	9999	500,000	20,094			20,094	20,094	-			20,094	20,094	-
Available Appropriations 2015-16	9999		2,690			2,690	2,690	-			2,690	2,690	-
HS Track	1037		447,913	424,985		22,928	447,913	-			447,913	447,913	-
Available Capital Reserve-Phase 2	9999		4,955			4,955	4,955	-			4,955	4,955	-
Totals		\$ 5,606,289	\$ 9,712,595	\$ 7,973,623	\$ 384,897	\$ 743,894	\$ 9,102,414	\$ 610,181	\$ 68,466	\$ 1,581,616	\$ 8,054,198	\$ 9,704,280	\$ 601,866

**WANTAGH UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021**

Capital assets, net		\$ 49,289,254
Add:		
Unamortized deferred charges from refunding	<u>\$ 200,880</u>	200,880
Deduct:		
Energy performance contract	\$ 6,792,757	
Serial bonds payable (inclusive of unamortized premiums)	<u>5,867,559</u>	<u>12,660,316</u>
Net investment in capital assets		<u><u>\$ 36,829,818</u></u>

See Paragraph on Other Supplementary Information Included in Auditor's Report.

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

To the Board of Education
Wantagh Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Wantagh Union Free School District (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 8, 2021