

**WANTAGH UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT FOR
THE FISCAL YEAR ENDED
JUNE 30, 2022**

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Wantagh Union Free School District (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2022, 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.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's contributions and related ratios, and schedule of District's proportionate share of the net pension liability on pages 1 through 16 and 60 through 64, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance

on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 3, 2022

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The follow is a discussion and analysis of the Wantagh Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2022. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022, are as follows:

- The District's total net deficit decreased by \$13,114,607, or 13.32%, to \$85,339,323 at June 30, 2022.
- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$75,826,083. Of this amount, \$6,395,026 was offset by program charges for services and operating grants and contributions. General revenues of \$82,545,664 amount to 92.8% of total revenues.
- The general fund's total fund balance, as reflected in the Fund Financial Statements, increased by \$5,015,038 to \$14,389,518. 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 adopted GASB Statement No. 87, *Leases*, effective July 1, 2021. Beginning balance in net position (deficit) was restated by \$23,968 as a result of the adoption. See Note 18 to the financial statements for additional information.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year's budget, which can be retained by the general fund up to 4.00% of the ensuing year's budget. At the end of the current fiscal year, the District was within the statutory limit.

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:

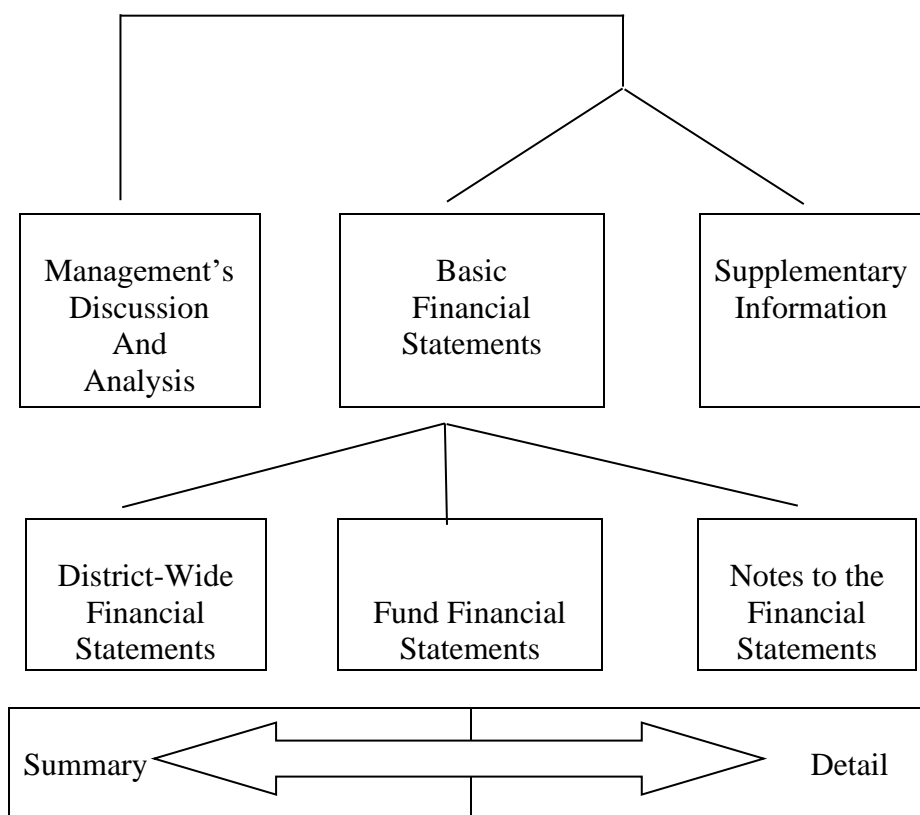
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations 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.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- *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.

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, 2022**

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	Current 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, intangible lease 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 or intangible lease assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 and intangible lease assets are reported as expenditures when financial resources (money) are expended to purchase, finance 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 and amortization are not calculated as it does not provide or reduce current financial resources. Finally, capital assets, intangible lease assets, and long-term debt are accounted for in account groups and do not affect the fund balances.

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

- Capitalize current outlays for capital assets and intangible lease assets;
- Report long-term debt as a liability;
- Depreciate capital assets, amortize intangible lease assets, and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - *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, 2022**

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, special aid fund, school lunch 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 custodian 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:

Non-current assets, long-term liabilities, and net investment in capital assets for 2021 have been restated to reflect the implementation of GASB Statement No. 87, *Leases*. See Note 18 to the financial statements for further information.

	As Restated 2021	As Reported 2021	Increase (Decrease)
Non-current assets	\$ 50,407,984	\$ 49,289,254	\$ 1,118,730
Long-term liabilities	168,117,894	166,975,196	1,142,698
Net investment in capital assets	36,805,850	36,829,818	(23,968)

The District's net deficit decreased by \$13,114,607 in the fiscal year ended June 30, 2022 as detailed in the table that follows.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Condensed Statement of Net Position-Governmental Activities

	2022	As Restated 2021	Increase (Decrease)	Percentage Change
Current and other assets	\$ 22,084,457	\$ 16,293,455	\$ 5,791,002	35.54%
Non-current assets	48,950,837	50,407,984	(1,457,147)	(2.89%)
Net pension asset - proportionate share - teachers' retirement system	35,669,724	-	35,669,724	100.00%
Net pension asset - proportionate share - employees' retirement system	1,604,866	-	1,604,866	100.00%
Deferred outflows of resources	49,819,489	56,405,981	(6,586,492)	(11.68%)
Total Assets and Deferred Outflows of Resources	158,129,373	123,107,420	35,021,953	28.45%
Current and other liabilities	5,729,914	5,831,368	(101,454)	(1.74%)
Long-term liabilities	134,715,340	168,117,894	(33,402,554)	(19.87%)
Deferred inflows of resources	103,023,442	47,612,088	55,411,354	116.38%
Total Liabilities and Deferred Inflows of Resources	243,468,696	221,561,350	21,907,346	9.89%
Net position				
Net investment in capital assets	38,306,393	36,805,850	1,500,543	4.08%
Restricted	10,935,925	5,856,484	5,079,441	86.73%
Unrestricted (deficit)	(134,581,641)	(141,116,264)	6,534,623	4.63%
Total Net Position (Deficit)	\$ (85,339,323)	\$ (98,453,930)	\$ 13,114,607	13.32%

Current and other assets increased by \$5,791,002 from the prior year primarily due to increases in the District's cash and cash equivalents and inventories, offset by decreases in receivables.

Non-current assets (capital assets net of accumulated depreciation and intangible lease assets net of accumulated amortization) decreased by \$1,457,147 primarily due to the current year depreciation and amortization expense exceeding current year additions.

Net pension asset –proportionate share provided by the teachers' retirement system and employees' retirement system increased by \$37,274,590 as a result of the actuarial valuations provided by the State.

Deferred outflows of resources decreased by \$6,586,492, 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 on refundings and total other post-employment benefits obligation, as discussed in Notes 11 and 13.

Current and other liabilities decreased by \$101,454. This was primarily due to decreases in accounts payable, accrued liabilities, accrued interest payable, and due to employees' retirement system, offset by increases in compensated absence payable, due to teachers' retirement system, due to other governments, and student deposits.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Long-term liabilities decreased by \$33,402,554 as a result of changes in the actuarial valuations for the net pension liabilities.

The increase of \$55,411,354 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 relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, construction in progress, buildings and improvements, site improvements, machinery and equipment, and vehicles, net of accumulated depreciation, accumulated amortization, and related debt. This number increased from the prior year by \$1,500,543.

The restricted net position at June 30, 2022, relates to the District's reserve funds established for specific purposes. Restricted net position increased by \$5,079,441 as a result of District contributions exceeding usage of the reserves.

The unrestricted net deficit decreased by \$6,534,623 as a result of the activities shown below.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

B. Changes in Net Position:

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

Change in Net Position from Operating Results

	Fiscal Year 2022	Fiscal Year 2021	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$901,261	\$169,500	\$731,761	431.72%
Operating grants and contributions	5,493,765	2,288,101	3,205,664	140.10%
General Revenues				
Real property taxes and other tax items	63,541,211	62,125,227	1,415,984	2.28%
Use of money and property	171,073	211,960	(40,887)	-19.29%
Sale of property and compensation for loss	110,306	80,408	29,898	37.18%
Miscellaneous	365,983	565,573	(199,590)	-35.29%
State and federal sources	18,357,091	17,926,409	430,682	2.40%
Total Revenues	\$88,940,690	\$83,367,178	\$5,573,512	6.69%
Expenses				
General support	\$12,715,354	\$14,213,797	(\$1,498,443)	-10.54%
Instruction	57,531,045	69,136,371	(11,605,326)	-16.79%
Pupil transportation	3,689,316	3,437,489	251,827	7.33%
Food service program	1,584,092	1,195,229	388,863	32.53%
Debt service - interest	306,276	443,230	(136,954)	-30.90%
Total Expenses	\$75,826,083	\$88,426,116	(\$12,600,033)	-14.25%
Total Change in Net Position	\$13,114,607	(\$5,058,938)	\$18,173,545	-359.24%

Information for 2021 was not restated because the information necessary was not readily available. The cumulative effect of applying the change in accounting principle is shown as an adjustment to beginning net position. See Note 18 for more information.

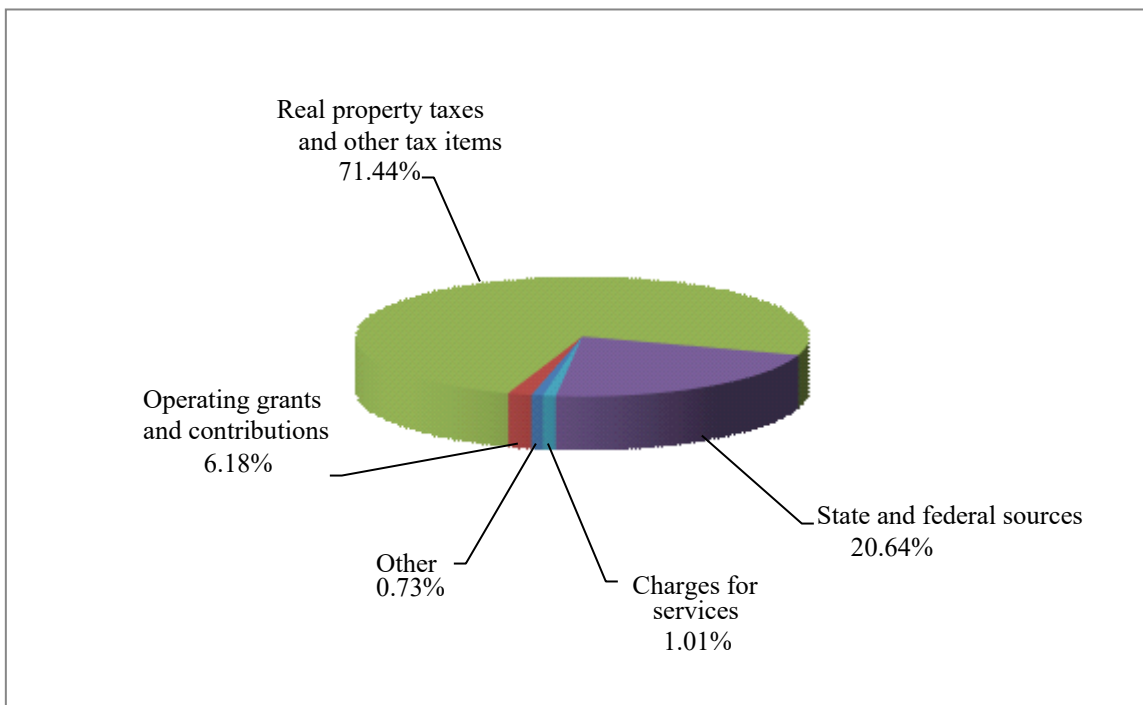
The District's revenues increased by \$5,573,512, or 6.69%. The major factors that contributed to the increase were increases in charges for services, operating grants and contributions, real property taxes and other tax items, sale of property and compensation for loss, and state and federal sources, offset by decreases in use of of money and property and miscellaneous.

The District's expenses for the year decreased by \$12,600,033, or 14.25%. This was primarily attributable to decreases in general support, instruction, and debt service – interest, offset by increases in pupil transportation and food service program.

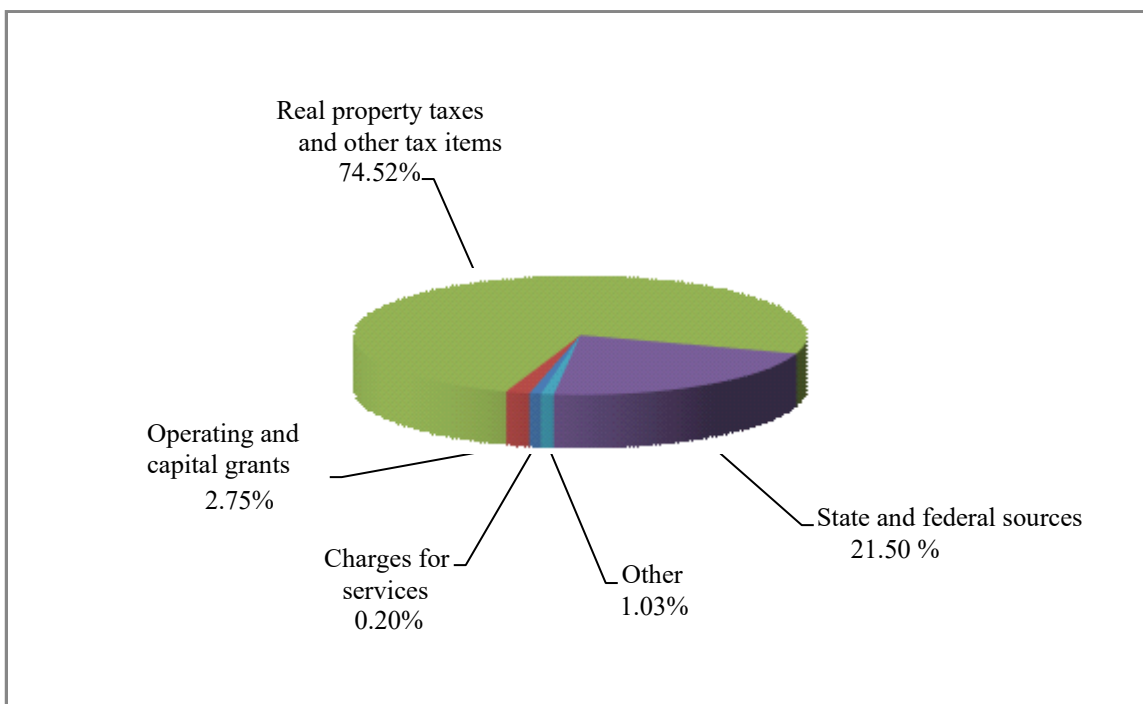
**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

For the Fiscal Year Ended June 30, 2022



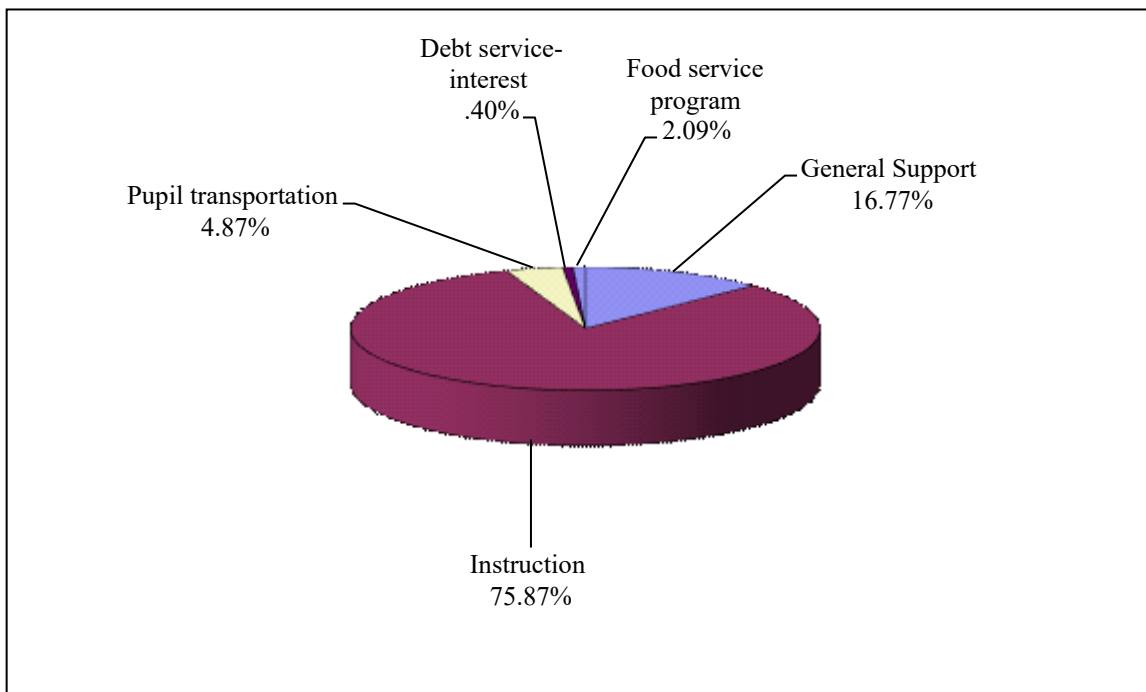
For the Fiscal Year Ended June 30, 2021



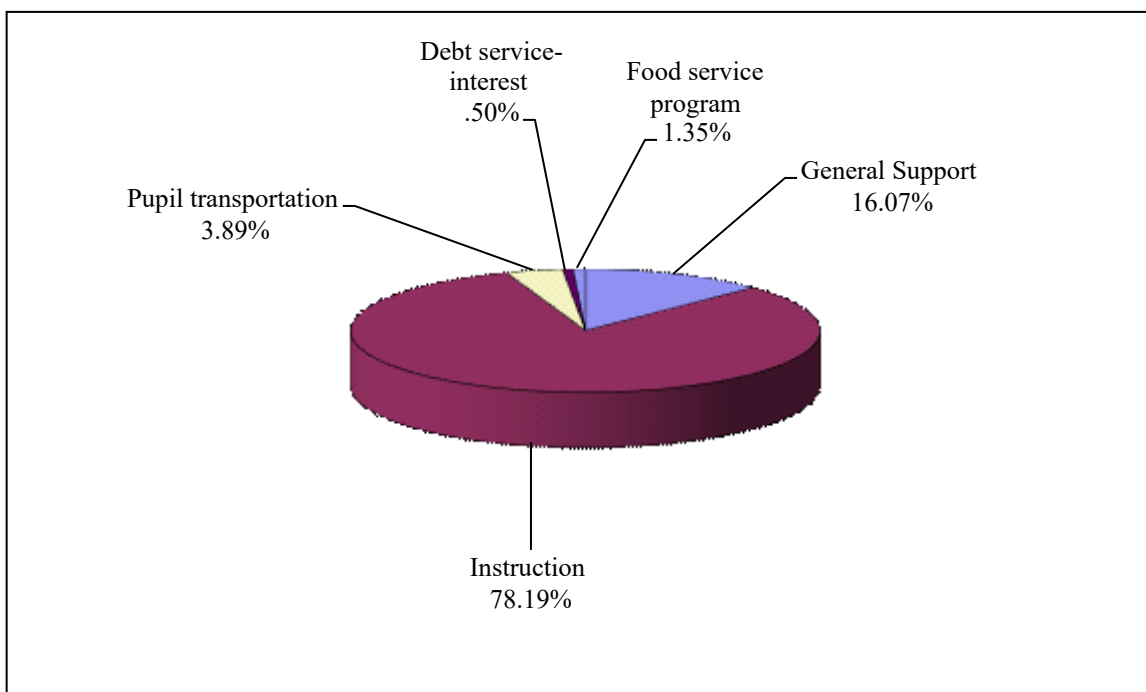
**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

For the Fiscal Year Ended June 30, 2022



For the Fiscal Year Ended June 30, 2021



WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

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

As of June 30, 2022, the District's combined governmental funds reported a total fund balance of \$16,395,081. See the following table for more information.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

A summary of the change in fund balance for all the funds is as follows:

	Fiscal Year 2022	Fiscal Year 2021	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted				
Workers' compensation	\$ 592,000	\$ 690,133	\$ (98,133)	(14.22%)
Unemployment insurance	402,000	400,000	2,000	0.50%
Employee benefit accrued liability	3,050,000	1,327,365	1,722,635	129.78%
Retirement contributions				
Employees' retirement system	2,000,000	2,150,000	(150,000)	(6.98%)
Teachers' retirement system	1,397,000	700,000	697,000	99.57%
Capital	2,661,771	210,752	2,451,019	1162.99%
Repair	75,000	50,000	25,000	50.00%
Total restricted	<u>10,177,771</u>	<u>5,528,250</u>	<u>4,649,521</u>	84.10%
Assigned				
Unappropriated encumbrances	812,483	535,995	276,488	51.58%
Total assigned	<u>812,483</u>	<u>535,995</u>	<u>276,488</u>	51.58%
Unassigned	3,399,264	3,310,235	89,029	2.69%
Total general fund	<u>14,389,518</u>	<u>9,374,480</u>	<u>5,015,038</u>	53.50%
School Lunch Fund				
Nonspendable	5,423	3,947	1,476	37.40%
Assigned	96,551	58,949	37,602	63.79%
Total school lunch fund	<u>101,974</u>	<u>62,896</u>	<u>39,078</u>	62.13%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	1,080	1,080	-	0.00%
Assigned - extraclassroom activities	186,374	166,379	19,995	12.02%
Total miscellaneous special revenue fund	<u>187,454</u>	<u>167,459</u>	<u>19,995</u>	11.94%
Debt Service Fund				
Restricted	164,141	319,141	(155,000)	(48.57%)
Total debt service fund	<u>164,141</u>	<u>319,141</u>	<u>(155,000)</u>	(48.57%)
Capital Projects Fund				
Restricted				
Capital	593,011	8,013	584,998	7300.61%
Assigned	958,983	593,853	365,130	61.48%
Total capital projects fund	<u>1,551,994</u>	<u>601,866</u>	<u>950,128</u>	157.86%
Total Fund Balances - All funds	<u>\$16,395,081</u>	<u>\$10,525,842</u>	<u>\$5,869,239</u>	55.76%

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

A) General Fund

The fund balance in the general fund increased by \$5,015,038 as a result of revenues and other financing sources of \$85,275,971 exceeding expenditures and other financing uses of \$80,260,933. Revenues and other financing sources increased \$3,237,437, or 3.95% compared to the prior year, mostly due to the increases in real property taxes, charges for services, sale of property and compensation for loss, state sources, and operating transfers in, offset by decreases in STAR and other real property tax items, use of money and property, miscellaneous, and federal sources. Expenditures and other financing uses increased by \$1,357,177, or 1.72% compared to the prior year primarily due to increases in general support, pupil transportation, and employee benefits and operating transfers in offset by decreases in instruction.

B) School Lunch Fund

The fund balance in the school lunch fund increased by \$39,078. This increase is primarily 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 increased by \$19,995. This increase is due to current year revenues exceeding expenditures for scholarships and extraclassroom activities.

D) Debt Service Fund

The fund balance in the debt service fund decreased by \$155,000, which represents transfers from the debt service fund to the general fund.

E) Capital Projects Fund

The fund balance in the capital projects fund increased by \$950,128, which is primarily due to other financing sources exceeding capital outlays.

5. GENERAL FUND BUDGETARY HIGHLIGHTS**A. 2021-2022 Budget:**

The District's general fund final budget for the year ended June 30, 2022 was \$84,508,843, which represents an increase of \$1,752,953 from the adopted budget of \$82,755,890. The increase includes prior years encumbrances of \$535,995, appropriation of capital reserve of \$600,000, appropriation of employee benefit accrued liability reserve of \$300,000, appropriation of workers' compensation reserve of \$100,000, and budget revisions for insurance reimbursements of \$24,758 and donations received of \$192,200.

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 uses of and transfers to reserves and designations

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The 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	\$ 3,310,235
Revenues and other financing sources over budget	2,678,123
Expenditures and other financing uses and encumbrances under budget	3,435,427
Interest allocated to reserves	(4,531)
Transfers to reserves	(6,019,990)
Closing, unassigned fund balance	<u>\$ 3,399,264</u>

Opening, Unassigned Fund Balance

The \$3,310,235 shown in the table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned.

Revenues and Other Financing Sources Over Budget

The 2021-2022 final budget for revenues and other financing sources was \$82,597,848. The actual revenues received for the year were \$85,275,971. The actual revenue over budget was \$2,678,123. This variance contributes to the change to the unassigned portion of the fund balance in the general fund from June 30, 2021 to June 30, 2022.

Expenditures and Other Financing Uses and Encumbrances Under Budget

The 2021-2022 final budget for expenditures was \$84,508,843. The actual expenditures, other financing uses, and encumbrances were \$80,260,933. The final budget was under expended by \$3,435,427. This under expenditure contributes to the change to the unassigned portion of the fund balance in the general fund from June 30, 2021 to June 30, 2022.

Interest Allocated to Reserves

Interest of \$4,531 was allocated to reserves as follows: \$336 to the unemployment insurance reserve, \$523 to the workers' compensation reserve, \$1,119 to employee benefit accrued liability reserve, \$1,747 to the retirement contribution reserve - employees' retirement system, \$587 to the teachers' retirement system, \$42 to the repair reserve, and \$177 to the capital reserve.

Transfer to Reserves

The District funded \$1,664 to the unemployment insurance reserve, \$1,344 to the workers' compensation reserve, \$2,021,516 to employee benefit accrued liability reserve, \$223,253 to the retirement contribution reserve - employees' retirement system, \$696,413 to the teachers' retirement system, \$24,958 to the repair reserve, and \$3,050,842 to the capital reserve.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$3,399,264. This is an increase of \$89,029 from the unassigned balance from the prior year and represents 4.00% of the District's 2022-2023 operating budget.

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

A. Capital Assets and Intangible Lease Assets:

At June 30, 2022, the District had invested in a broad range of capital assets and intangible lease assets, including land, buildings and improvements, site improvements, machinery and equipment, and vehicles. The net decrease in capital assets is due to depreciation expense exceeding capital additions recorded for the fiscal year ended June 30, 2022. The net increase in intangible lease assets is due to current year additions exceeding amortization expense. A summary of the District's capital assets, net of accumulated depreciation, and intangible lease assets, net of accumulated amortization, at June 30, 2022 and 2021, is as follows:

Category	Fiscal Year 2022	As Restated Fiscal Year 2021	Increase (Decrease)	Percentage Change
Land	\$ 3,484,000	\$ 3,484,000	\$ -	0.00%
Construction in progress	149,872	384,897	(235,025)	N/A
Buildings and improvements	112,071,262	111,816,833	254,429	0.23%
Site improvements	1,188,383	1,004,305	184,078	18.33%
Machinery and equipment	1,934,298	1,491,231		
Vehicles	479,901	446,713	33,188	7.43%
Subtotal	119,307,716	118,627,979	679,737	0.57%
Less: Accumulated Depreciation	71,498,321	69,338,725	2,159,596	3.11%
Capital Assets, Net	<u>\$ 47,809,395</u>	<u>\$ 49,289,254</u>	<u>(1,479,859)</u>	<u>(3.00%)</u>
Intangible Lease Assets, Net	<u>1,141,442</u>	<u>1,118,730</u>	<u>22,712</u>	<u>2.03%</u>

Depreciation expense was \$2,161,009 and amortization expense was \$604,387 for fiscal year ended June 30, 2022. See Note 8 to the financial statements for additional detail.

B. Long-Term Debt:

At June 30, 2022, the District had total debt payable, including bonds payable net of unamortized premium, lease liability, and energy performance contract debt payable of \$10,778,364. The decrease in long-term debt represents principal payments and amortization expense offset by deferred premiums earned. More detailed information about the District's long-term debt is presented in the Note 11 to the financial statements.

**WANTAGH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

A summary of outstanding debt at June 30, 2022 and 2021 is as follows:

	2022	As Restated 2021	Increase (Decrease)
Bonds payable (net of unamortized premium)	\$ 3,552,486	\$ 5,867,559	\$ (2,315,073)
Lease liability	1,043,944	1,142,698	(98,754)
Energy performance contract debt payable	6,181,934	6,792,757	(610,823)
Total	<u>\$ 10,778,364</u>	<u>\$ 13,803,014</u>	<u>\$ (3,024,650)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- A)** The District designated voter approved budget for 2022-2023 is \$84,981,612. This is an increase of \$2,225,722, or 2.69%, from the previous year's budget. The increase was primarily due to increases in expenses for teaching, employee benefits, and operations and maintenance.
- B)** 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.

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, 2022

ASSETS	
Current assets	
Cash and cash equivalents	
Unrestricted	\$ 8,078,722
Restricted	10,936,003
Receivables	
Taxes receivable	1,115,204
State and federal aid	1,889,553
Due from other governments	59,552
Inventories	5,423
Capital assets	
Capital assets not being depreciated	3,633,872
Capital assets being depreciated, net of accumulated depreciation	44,175,523
Intangible lease assets, net of accumulated amortization	1,141,442
Net pension asset - proportionate share - teachers' retirement system	35,669,724
Net pension liability - proportionate share - employees' retirement system	1,604,866
TOTAL ASSETS	<u>108,309,884</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	24,030,453
Other post-employment benefits obligation	25,655,116
Deferred charges on refundings	133,920
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>49,819,489</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>158,129,373</u>
LIABILITIES	
Payables	
Accounts payable	282,149
Accrued liabilities	887,441
Due to other governments	253,008
Due to teachers' retirement system	3,626,106
Due to employees' retirement system	206,748
Compensated absences payable	241,751
Student deposits	32,324
Accrued interest payable	40,538
Unearned credits	
Collections in advance	159,849
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premiums)	2,395,073
Lease liability	405,250
Energy performance contract payable	625,106
Compensated absences payable	230,143
Due and payable after one year	
Bonds payable (inclusive of unamortized premiums)	1,157,413
Lease liability	638,694
Energy performance contract payable	5,556,828
Workers' compensation claims payable	214,538
Compensated absences payable	2,899,307
Total other post-employment benefits obligation	120,592,988
TOTAL LIABILITIES	<u>140,445,254</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	45,281,613
Other post-employment benefits obligation	57,741,829
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>103,023,442</u>
NET POSITION	
Net investment in capital assets	<u>38,306,393</u>
Restricted	
Workers' compensation	592,000
Unemployment	402,000
Retirement contribution	3,397,000
Employee benefit accrued liability	3,050,000
Capital	3,254,782
Repair Reserve	75,000
Scholarships and donations	1,080
Debt service - principal and interest	164,141
	<u>10,936,003</u>
Unrestricted (deficit)	<u>(134,581,719)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>(\$85,339,323)</u></u>

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	\$ 12,715,354			\$ (12,715,354)
Instruction	57,531,045	\$ 758,606	\$ 4,163,267	(52,609,172)
Pupil transportation	3,689,316			(3,689,316)
Debt service-interest	306,276			(306,276)
Food service program	1,584,092	142,655	1,330,498	(110,939)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 75,826,083</u>	<u>\$ 901,261</u>	<u>\$ 5,493,765</u>	<u>(69,431,057)</u>
GENERAL REVENUES				
Real property taxes				57,309,810
Other tax items - including STAR reimbursement				6,231,401
Use of money and property				171,073
Sale of property and compensation for loss				110,306
Miscellaneous				365,983
State sources				18,305,243
Federal sources				51,848
TOTAL GENERAL REVENUES				<u>82,545,664</u>
CHANGE IN NET POSITION				13,114,607
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 18)				<u>(98,453,930)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (85,339,323)</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents							
Unrestricted	\$ 6,596,715	\$ 4,351	\$ 332,221	\$ 186,374	\$ -	\$ 959,061	\$ 8,078,722
Restricted	10,177,771			1,080	164,141	593,011	10,936,003
Receivables							
Taxes receivable	1,115,204						1,115,204
State and federal aid	1,344,566	291,044	253,943				1,889,553
Due from other governments	7,828	51,724					59,552
Due from other funds	646,996						646,996
Inventories			5,423				5,423
TOTAL ASSETS	<u>\$ 19,889,080</u>	<u>\$ 347,119</u>	<u>\$ 591,587</u>	<u>\$ 187,454</u>	<u>\$ 164,141</u>	<u>\$ 1,552,072</u>	<u>\$ 22,731,453</u>
LIABILITIES AND FUND BALANCES							
Payables							
Accounts payable	\$ 253,529	\$ 28,620	\$ -	\$ -	\$ -	\$ -	\$ 282,149
Accrued liabilities	887,441						887,441
Due to other governments	251,663		1,345				253,008
Due to other funds		230,078	416,840			78	646,996
Due to teachers' retirement system	3,626,106						3,626,106
Due to employees' retirement system	206,748						206,748
Compensated absences payable	241,751						241,751
Student deposits	32,324						32,324
Unearned credits							
Collections in advance		88,421	71,428				159,849
TOTAL LIABILITIES	<u>5,499,562</u>	<u>347,119</u>	<u>489,613</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>6,336,372</u>
FUND BALANCES							
Nonspendable: Inventory			5,423				5,423
Restricted							
Workers' compensation	592,000						592,000
Unemployment insurance	402,000						402,000
Retirement contribution							
Employees' retirement system	2,000,000						2,000,000
Teacher's retirement system	1,397,000						1,397,000
Employee benefit accrued liability	3,050,000						3,050,000
Capital	2,661,771					593,011	3,254,782
Repair Reserve	75,000						75,000
Debt service-principal and interest					164,141		164,141
Scholarships and donations				1,080			1,080
Assigned							
Unappropriated fund balance	812,483		96,551	186,374		958,983	2,054,391
Unassigned	3,399,264						3,399,264
TOTAL FUND BALANCES	<u>14,389,518</u>	<u>-</u>	<u>101,974</u>	<u>187,454</u>	<u>164,141</u>	<u>1,551,994</u>	<u>16,395,081</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,889,080</u>	<u>\$ 347,119</u>	<u>\$ 591,587</u>	<u>\$ 187,454</u>	<u>\$ 164,141</u>	<u>\$ 1,552,072</u>	<u>\$ 22,731,453</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Governmental Fund Balances \$ 16,395,081

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	\$119,307,716	
Accumulated depreciation	<u>(71,498,321)</u>	47,809,395

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

Cost of intangible lease assets	1,745,829	
Accumulated amortization	<u>(604,387)</u>	1,141,442

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

Deferred inflows related to pensions	(45,281,613)	
Deferred inflows related to other post-employment benefits	<u>(57,741,829)</u>	(103,023,442)

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 outflows related to pensions	24,030,453	
Deferred outflows related to other post-employment benefits	25,655,116	
Deferred charges on refundings	<u>133,920</u>	49,819,489

Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset-proportionate share at year-end for the teachers' retirement and employees' retirement systems were as follows:

Net pension asset - proportionate share - TRS	35,669,724	
Net pension asset - proportionate share - ERS	1,604,866	37,274,590

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of accrued interest payable of: (40,538)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	(3,552,486)	
Lease liability	(1,043,944)	
Energy performance contract payable	(6,181,934)	
Workers' compensation claims payable	(214,538)	
Compensated absences payable	(3,129,450)	
Total other post-employment benefits obligation payable	<u>(120,592,988)</u>	<u>(134,715,340)</u>

Total Net Position (Deficit) \$ (85,339,323)

WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	\$ 57,309,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,309,810
STAR and other real property tax items	6,231,401						6,231,401
Charges for services	120,353			638,253			758,606
Use of money and property	171,056		17				171,073
Sale of property and compensation for loss	110,306						110,306
Miscellaneous	365,983						365,983
State sources	18,305,243	343,772	16,640				18,665,655
Federal sources	51,848	3,819,495	1,280,077				5,151,420
Surplus food			33,781				33,781
Sales			142,655				142,655
TOTAL REVENUES	82,666,000	4,163,267	1,473,170	638,253	-	-	88,940,690
EXPENDITURES							
General support	9,240,125			618,258			9,858,383
Instruction	44,026,203	1,756,572					45,782,775
Pupil transportation	3,505,622	127,790					3,633,412
Employee benefits	18,148,635						18,148,635
Debt service - principal	3,571,676						3,571,676
Debt service - interest	342,606						342,606
Cost of sales			1,584,092				1,584,092
Capital outlay						776,971	776,971
TOTAL EXPENDITURES	78,834,867	1,884,362	1,584,092	618,258	-	776,971	83,698,550
EXCESS (DEFICIENCY)							
OF REVENUES OVER EXPENDITURES	3,831,133	2,278,905	(110,922)	19,995	-	(776,971)	5,242,140
OTHER FINANCING SOURCES (USES)							
Operating transfers in	2,609,971	176,066	150,000			1,100,000	4,036,037
Operating transfers (out)	(1,426,066)	(2,454,971)			(155,000)		(4,036,037)
Leases						627,099	627,099
TOTAL OTHER FINANCING SOURCES (USES)	1,183,905	(2,278,905)	150,000	-	(155,000)	1,727,099	627,099
NET CHANGE IN FUND BALANCES	5,015,038	-	39,078	19,995	(155,000)	950,128	5,869,239
FUND BALANCES - BEGINNING OF YEAR	9,374,480	-	62,896	167,459	319,141	601,866	10,525,842
FUND BALANCES - END OF YEAR	\$ 14,389,518	\$ -	\$ 101,974	\$ 187,454	\$ 164,141	\$ 1,551,994	\$ 16,395,081

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, 2022

Net Change in Fund Balances		\$5,869,239
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
<p>In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick days), 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 from June 30, 2021 to June 30, 2022 changed by</p>		
	(76,582)	
<p>Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Accrued workers' compensation claims payable from June 30, 2021 to June 30, 2022 changed by</p>		
	75,510	
<p>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.</p>		
Teachers' retirement system	\$5,323,853	
Employees' retirement system	744,923	
Other post-employment benefits obligation	<u>(346,096)</u>	5,722,680
Non-Current Asset Related Differences		
<p>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.</p>		
Capital outlays	\$681,150	
Depreciation expense	<u>(2,161,009)</u>	(1,479,859)
<p>Capital outlays to lease 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 amortization expense in the Statement of Activities.</p>		
Intangible lease capital outlays	\$627,099	
Amortization expense	<u>(604,387)</u>	22,712
Long-Term Debt Transactions		
Proceeds from leases are recorded as revenue in the governmental funds, but not in the Statement of Activities.		(627,099)
<p>Repayment of installment purchase debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>		2,235,000
Repayment of energy performance contract payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		610,823
Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		725,853
<p>Governmental funds may report premiums, discounts, and similar items on the refunded bonds as revenues or expenditures. These amounts are deferred and amortized in the Statement of Activities. Amortization for the fiscal year ended June 30, 2022 was</p>		
Amortization on bond premiums	80,073	
Amortization on deferred charges on refundings	<u>(66,960)</u>	13,113
<p>Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and 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 June 30, 2021 to June 30, 2022 changed by</p>		<u>23,217</u>
Change in Net Position		<u>\$ 13,114,607</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND
JUNE 30, 2022**

	Custodial
ASSETS	
Accounts receivable	\$ -
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, 2022**

	Custodial
ADDITIONS	
Library real property taxes received	\$ 2,735,840
TOTAL ADDITIONS	2,735,840
DEDUCTIONS	
Library real property taxes disbursed	2,735,840
TOTAL DEDUCTIONS	2,735,840
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, 2022

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.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 and contributions includes operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants and contributions includes capital specific grants, if applicable.

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

Fund Financial Statements

The Fund Financial Statements provide information about the District's funds, including 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.

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

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations, including scholarships and donations. 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.

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 lease liability, general long-term debt, energy performance contract debt payable, claims and judgments, compensated absences, total other post-employment benefits, and net pension liabilities, if applicable, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 flows. 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 resources, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

computation of lease liability, workers' compensation claims payable, compensated absences, potential contingent liabilities, total other post-employment benefits, pension asset/liability, and useful lives of capital assets and intangible lease 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 value.

Purchases of inventoriable items in other funds are recorded as expenses/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, 2022.

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 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:

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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) Intangible lease assets:

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

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

M) 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 the following 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 amounts are related to pensions and total other post-employment benefits obligation reported in the District-Wide Statement of Net Position, and are detailed further in Notes 12 and 13, respectively.

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 the following items that qualify for reporting in this category. The other amounts are related to pensions and total other post-employment benefits obligation reported in the District-Wide Statement of Net Position, and are detailed further in Notes 12 and 13, respectively.

N) 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.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Collections in advance consist of grant advances in the special aid fund and amounts received in advance for meals that have not yet been purchased as well as grant advances in the school lunch fund.

O) 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.

P) 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, 2022

Q) 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 \$10,000,000 in the fiscal year ended June 30, 2022. See Note 10 for further detail.

R) 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. Lease liability, claims and judgments, compensated absences, net pension liabilities, and 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.

S) 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) and intangible lease assets (present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, and gain on defeasance on debt refunding.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, the District has \$5,423 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.

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

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

Capital reserve - According to Education Law §3651, this reserve 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. This reserve is accounted for in the general fund and capital projects fund. Restricted for capital in the capital projects fund includes the fund balance for projects that are funded by 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, 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.

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 as well as interest and earnings from investment in proceeds of borrowing premiums. This reserve is accounted for in the debt service fund.

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

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

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022.

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. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. All encumbrances not classified as restricted or committed 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, if applicable.

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, 2022 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.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

T) New accounting pronouncement:

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 lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources, if applicable. The District has adopted and implemented GASB Statement No. 87, *Leases*, in 2022. See Note 18 for further consideration.

U) Future accounting pronouncement:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor's software, alone or in combination with tangible capital assets requiring governments to recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this Statement are effective for periods beginning after June 15, 2022.

This is the statement that the District feels may have an impact on these financial statements and is not an all-inclusive list of GASB statements issued. The District will evaluate the impact the pronouncement may have on its financial statements and will implement 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:

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Long-term revenue and expense differences:

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

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items or financing of intangible lease assets in the fund statements and depreciation expense or amortization 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 - Schedule of Change from Adopted Budget to Final Budget – General Fund, where applicable.

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

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.

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, 2022 included \$10,936,003 within the governmental funds for general reserves and amounts restricted for scholarships and donations, debt service, and capital projects.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 - PARTICIPATION IN BOCES

During the fiscal year the District was billed \$5,400,724 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,721,772. 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, 2022 consisted of the following:

General Fund	
BOCES aid	\$ 775,889
Basic aid	114,792
Excess cost aid	453,885
Total General Fund	<u>\$ 1,344,566</u>
Special Aid Fund	
Federal grants	\$ 136,707
State grants	154,337
Total Special Aid Fund	<u>\$ 291,044</u>
School Lunch Fund	
Federal aid	\$ 247,460
State aid	6,483
Total Special Aid Fund	<u>\$ 253,943</u>
Total	<u>\$ 1,889,553</u>

District management has deemed these amounts to be fully collectible.

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Due from other governments in the general fund at June 30, 2022 consisted of tuition amounts due from other districts. Due from other governments in the special aid fund at June 30, 2022 consisted of the Nassau County grants amounting to \$51,724 for a softball field at the High School and playgrounds at the elementary schools. District management has deemed these amounts to be fully collectible.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

A) Capital Assets

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements and Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 3,484,000	\$ -	\$ -	\$ 3,484,000
Construction in progress	384,897	149,872	(384,897)	149,872
Total capital assets not to be depreciated	<u>3,868,897</u>	<u>149,872</u>	<u>(384,897)</u>	<u>3,633,872</u>
Capital assets being depreciated				
Buildings and improvements	111,816,833	254,429	-	112,071,262
Site improvements	1,004,305	184,078	-	1,188,383
Machinery and equipment	1,491,231	444,480	(1,413)	1,934,298
Vehicles	446,713	33,188	-	479,901
Total	<u>114,759,082</u>	<u>916,175</u>	<u>(1,413)</u>	<u>115,673,844</u>
Accumulated depreciation				
Buildings and improvements	67,269,543	1,950,323	-	69,219,866
Site improvements	829,281	47,988	-	877,269
Machinery and equipment	847,163	136,543	(1,413)	982,293
Vehicles	392,738	26,155	-	418,893
Total	<u>69,338,725</u>	<u>2,161,009</u>	<u>(1,413)</u>	<u>71,498,321</u>
Net capital assets being depreciated	<u>45,420,357</u>	<u>(1,244,834)</u>	<u>-</u>	<u>44,175,523</u>
Net capital assets	<u>\$ 49,289,254</u>	<u>\$ (1,094,962)</u>	<u>\$ (384,897)</u>	<u>\$ 47,809,395</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 57,372
Instruction	2,085,519
Transportation	18,118
	<u>\$ 2,161,009</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Intangible lease assets				
Machinery and equipment	\$ 1,118,730	\$ 627,099	\$ -	\$ 1,745,829
Total intangible lease assets being amortized	1,118,730	627,099	-	1,745,829
Less accumulated amortization:				
Machinery and equipment	-	604,387	-	604,387
Total accumulated amortization	-	604,387	-	604,387
Total intangible lease assets, net	\$ 1,118,730	\$ 22,712	\$ -	\$ 1,141,442

Amortization expense of \$604,387 was charged to the governmental functions as instruction.

NOTE 9 - INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund balances and activities for the year ended June 30, 2022, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 646,996	\$ -	\$ 2,609,971	\$ 1,426,066
Special aid fund	-	230,078	176,066	2,454,971
School lunch fund	-	416,840	150,000	-
Debt service fund	-	-	-	155,000
Capital projects fund	-	78	1,100,000	-
Totals	\$ 646,996	\$ 646,996	\$ 4,036,037	\$ 4,036,037

The District transferred \$176,066 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 \$150,000 from the general fund to the school lunch fund to subsidize the loss in the food service operations.

The District transferred \$1,100,000 from the general fund to the capital projects fund to cover the costs to complete gym renovations at the High School and for emergency repairs at Mandalay Elementary School.

The District transferred \$155,000 from the debt service fund to the general fund to subsidize the costs of debt service – principal and debt service – interest payments.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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The District transferred \$2,454,971 from the special aid fund to the general fund to cover the costs of grant eligible expenditures incurred in the general fund in prior year.

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, 2021	Issued	Redeemed	Balance June 30, 2022
TAN	6/24/22	1.25%	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -
Total			<u>\$ -</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</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 \$13,508.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 11 - LONG-TERM LIABILITIES

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

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 5,690,000	\$ -	\$ 2,235,000	\$ 3,455,000	\$ 2,315,000
Add: premium on obligation	177,559	-	80,073	97,486	80,073
	<u>5,867,559</u>		<u>2,315,073</u>	<u>3,552,486</u>	<u>2,395,073</u>
Other long-term liabilities:					
Lease liability*	1,142,698	627,099	725,853	1,043,944	405,250
Energy performance contract payable	6,792,757	-	610,823	6,181,934	625,106
Workers' compensation claims payable	290,048	25,066	100,576	214,538	
Compensated absences payable	3,052,868	76,582	-	3,129,450	230,143
Total other post-employment benefits obligation	145,265,930	9,325,412	33,998,354	120,592,988	
Net pension liability-proportionate share-TRS	5,687,179	-	5,687,179	-	
Net pension liability-proportionate share-ERS	18,855	-	18,855	-	
Total long-term liabilities	<u>\$ 168,117,894</u>	<u>\$ 10,054,159</u>	<u>\$ 43,456,713</u>	<u>\$ 134,715,340</u>	<u>\$ 3,655,572</u>

*Beginning balance as restated. See Note 18 for further details.

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

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, 2022
Serial bonds	7/21/2015	11/15/2023	2.00%	\$ 2,260,000
Serial bonds	10/23/2013	9/1/2022	5.00%	1,195,000
				<u>\$ 3,455,000</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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The following is a summary of debt service requirements for bonds payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 2,315,000	\$ 63,875	\$ 2,378,875
2024	1,140,000	11,400	1,151,400
	<u>\$ 3,455,000</u>	<u>\$ 75,275</u>	<u>\$ 3,530,275</u>

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) Lease Liability

In 2022, the District adopted and implemented the provisions of GASB Statement No. 87, *Leases*. As such, the District recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with interest rates ranging from 1.00% to 3.50%.

Principal and interest expense paid on the District's lease liability amounted to \$725,853 and \$30,303 respectively, for the fiscal year ended June 30, 2022.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 405,250	\$ 17,984	\$ 423,234
2024	415,090	9,407	424,497
2025	174,894	3,283	178,177
2026	48,710	929	49,639
	<u>\$ 1,043,944</u>	<u>\$ 31,603</u>	<u>\$ 1,075,547</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

C) Energy Performance Contract Payable

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

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2022</u>
Energy performance contract payable	5/24/2016	5/24/2031	2.32%	<u>\$ 6,181,934</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	685,660	79,558	765,218
2028-2031	2,906,768	154,104	3,060,872
	<u>\$ 6,181,934</u>	<u>\$ 705,028</u>	<u>\$ 6,886,962</u>

D) Long-Term Interest

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

Interest paid	\$ 329,098
Plus interest accrued in the current year	40,538
Plus amortization of deferred charges from bond refunding	66,960
Less interest accrued in the prior year	(63,755)
Less amortization of bond refunding premium	<u>(80,073)</u>
Total long-term debt and lease liability interest expense	<u>\$ 292,768</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

E) 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:

Fiscal Year Ended June 30,	Deferred Charges	Deferred Premium on Refunding	Total
2023	\$ 66,960	\$ (80,073)	\$ (13,113)
2024	66,960	(17,413)	49,547
Total	\$ 133,920	\$ (97,486)	\$ 36,434

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

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

impaired. Benefits can be changed for future members only by enactment of a state statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244.

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, 2022 for covered payroll was 22.90% for Tier 2, 18.10% for Tier 3 and 4, 15.10% for Tier 5, and 10.60% 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, 2022 for covered payroll was 9.80%.

The District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end was \$987,525, \$1,062,062, and \$980,668 and for ERS and \$3,379,599, \$3,328,534, and \$3,095,067 for TRS, respectively.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

At June 30, 2022, 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, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Net pension asset/(liability)	\$ 1,604,866	\$ 35,669,724
District's portion of the Plan's total net pension asset/(liability)	0.0196324%	0.205838%
Change in proportion since the prior measurement date	0.00070%	0.00002%

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$242,608 for ERS and pension credit of \$1,941,431 for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 121,539	\$ 4,916,693	\$ 157,643	\$ 185,319
Net difference between projected and actual earnings on pension plan investments			5,255,264	37,332,057
Change of assumptions	2,678,341	11,732,518	45,194	2,077,656
Changes in proportion and differences between the District's contributions and proportionate share of contributions	516,855	478,160	71,487	156,993
District's contributions subsequent to the measurement date	206,748	3,379,599		
	<u>\$ 3,523,483</u>	<u>\$ 20,506,970</u>	<u>\$ 5,529,588</u>	<u>\$ 39,752,025</u>

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NOTES TO FINANCIAL STATEMENTS
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District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Fiscal Year ended:		
2022	\$ -	\$ (4,501,028)
2023	(238,957)	(5,309,399)
2024	(461,560)	(6,732,273)
2025	(1,282,603)	(8,936,388)
2026	(229,733)	1,669,323
Thereafter	-	1,185,111
	<u>\$ (2,212,853)</u>	<u>\$ (22,624,654)</u>

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.9%	6.95%
Salary scale	4.40%	5.18% - 1.95%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, 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, 2021 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, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

For ERS, the long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2022		June 30, 2021	
<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%	3.30%	33%	6.8%
International equity	15%	5.85%	16%	7.6%
Global equity			4%	7.1%
Private equity	10%	6.50%	8%	10.0%
Real estate	9%	5.00%	11%	6.5%
Opportunistic portfolio	3%	4.10%		
Real assets	3%	5.58%		
Credit	4%	3.78%		
Cash	1%	-1.00%		
Fixed income	23%	0.00%	16%	1.3%
Global bonds			2%	0.8%
High-yield bonds			1%	3.8%
Private debt			1%	5.9%
Real estate debt			7%	3.3%
Cash equivalents			1%	-0.2%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.5% for ERS, and 2.4% for TRS.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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 asset/(liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	\$ (4,130,907)	\$ 1,604,866	\$ 6,402,564

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset/(liability)	\$ 3,743,017	\$ 35,669,724	\$ 62,501,804

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, 2022	June 30, 2021
Employers' total pension (liability)	\$ (223,874,888)	\$ (130,819,415)
Plan net position	232,049,473	148,148,457
Employers' net pension asset/(liability)	\$ 8,174,585	\$ 17,329,042

Ratio of plan net position to the Employers' total pension asset/(liability)	103.65%	113.25%
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**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$206,748.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$3,626,106.

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 2022, the District contributed \$3,402,865 to the Plan, including \$3,402,865 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.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 \$120,592,988 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

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	3.54%
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.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

F) Changes in the total OPEB liability:

Balance at June 30, 2021	\$ 145,265,930
Service cost	6,092,622
Interest	3,232,790
Differences between expected and actual experience	
Changes of assumptions or other inputs	(30,595,489)
Benefit payments	(3,402,865)
Net changes	<u>(24,672,942)</u>
Balance at June 30, 2022	<u><u>\$ 120,592,988</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the change in discount rate from 2.16% to 3.54%.

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 (2.54%) or 1- percentage point higher 4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	<u>\$ 141,755,465</u>	<u>\$ 120,592,988</u>	<u>\$ 103,707,994</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% decreasing to 3.10%) or 1-percentage point higher (6.30% decreasing to 5.10%) than the current healthcare cost trend rate:

	1% Decrease (4.30% decreasing to 3.10%)	Healthcare Cost Trend Rates (5.30% decreasing to 4.10%)	1% Increase (6.30% decreasing to 5.10%)
Total OPEB liability	<u>\$ 103,053,929</u>	<u>\$ 120,592,988</u>	<u>\$ 143,566,789</u>

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$3,748,961. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 2,222,777	\$ (20,848,649)
Changes of assumptions or other inputs	<u>23,432,339</u>	<u>(36,893,180)</u>
	<u>\$ 25,655,116</u>	<u>\$ (57,741,829)</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:	
2023	\$ (5,576,451)
2024	(5,576,451)
2025	(5,576,451)
2026	(4,855,801)
2027	(6,673,044)
Thereafter	<u>(3,828,515)</u>
	<u>\$ (32,086,713)</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, 2022, totaled \$294,630 and \$2,307,175 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, 2022 totaled \$183,353.

WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

B) Risk Retention:

The District participates in a risk-sharing pool, the Nassau County Schools Cooperative Workers' Compensation Self- Insurance Plan, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

The District pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2022, is \$21,099,914. Of this total undiscounted liability, \$287,665 is associated with the District. The Plan has plan assets of \$24,787,526 at June 30, 2022 to pay these liabilities. During the year ended June 30, 2022, the District's contribution to the Plan was \$233,711.

The Plan has issued financial statements for the year ended June 30, 2022. Copies of these statements can be obtained from the District's administrative office.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

C) Self-insured plan:

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 actuarial valuation been performed, the liability amount may have significantly changed. Claims activity is summarized below:

	2022	2021
Unpaid claims at beginning of year	\$ 290,048	\$ 362,501
Incurred claims and claim adjustment expenses	25,066	72,216
Unpaid claims at year end	(100,576)	(144,669)
	\$ 214,538	\$ 290,048

NOTE 16 - COMMITMENTS AND CONTINGENCIES**A) Encumbrances:**

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2022, the District had encumbered the following amounts:

General fund	
General support	\$ 528,097
Instructional	280,077
Pupil transportation	4,309
Total general fund	\$ 812,483
Special aid fund	
Instructional	\$ 71,963
School lunch fund	
Food service program	\$ 19,748
Capital projects fund	
Capital projects	\$ 64,804

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.

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

C) Litigation:

As of June 30, 2022, we are unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

NOTE 17 - 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 \$406,370 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$120,874 related to these programs.

NOTE 18 – RESTATEMENT OF NET POSITION

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The adoption and implementation of this Statement resulted in the restatement of opening balances of non-current assets, long-term liabilities, and net investment in capital assets. These changes have been restated as follows:

	Net Position (Deficit)
Net Position	
Beginning of Year, as Reported	<u>\$ (98,429,962)</u>
Non-current assets	
Intangible lease assets	<u>1,118,730</u>
Long-term liabilities	
Lease liability	<u>(1,142,698)</u>
Net Position	
Net investment in capital assets	<u>(23,968)</u>
Net Position	
Beginning of Year, as Restated	<u><u>\$ (98,453,930)</u></u>

**WANTAGH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 19 - SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that there were no events which took place that would have a material impact on its financial statements, other than as noted below:

- On September 27, 2022, the District issued tax anticipation notes in the amount of \$3,300,000, which are due to mature June 22, 2023 with an effective interest rate yield of 4.00% and premium of \$4,818.

SUPPLEMENTARY INFORMATION

**WANTAGH UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 57,041,871	\$ 57,041,871	\$ 57,309,810	\$ 267,939
Other real property tax items	6,305,796	6,305,796	6,231,401	(74,395)
Charges for services	120,723	120,723	120,353	(370)
Use of money and property	145,000	145,000	171,056	26,056
Sale of property and compensation for loss	10,000	34,758	110,306	75,548
Miscellaneous	192,500	384,700	365,983	(18,717)
State Sources	18,400,000	18,400,000	18,305,243	(94,757)
Federal Sources	10,000	10,000	51,848	41,848
Other Financing Sources				
Transfers from other funds	155,000	155,000	2,609,971	2,454,971
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 82,380,890</u>	<u>\$ 82,597,848</u>	<u>\$ 85,275,971</u>	<u>\$ 2,678,123</u>
Appropriated reserves	910,995	1,910,995		
TOTAL REVENUES, OTHER FINANCING SOURCES & APPROPRIATED FUND BALANCE & RESERVES	<u>\$ 83,291,885</u>	<u>\$ 84,508,843</u>		

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.

**WANTAGH UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General Support					
Board of education	\$ 142,950	\$ 134,021	\$ 111,727	\$ 6,505	\$ 15,789
Central administration	298,221	380,701	376,396	-	4,305
Finance	982,586	1,009,540	921,418	49,694	38,428
Staff	374,364	375,908	345,924	10,399	19,585
Central services	6,665,929	7,248,791	6,568,283	461,499	219,009
Special items	934,883	920,292	916,377	-	3,915
Total general support	<u>9,398,933</u>	<u>10,069,253</u>	<u>9,240,125</u>	<u>528,097</u>	<u>301,031</u>
Instructional					
Instruction, admin. & improvement	4,017,721	4,064,296	3,987,417	982	75,897
Teaching - regular school	24,390,309	24,267,901	23,824,646	81,328	361,927
Programs for children with handicap conditions	9,888,053	8,772,053	8,584,889	132,914	54,250
Occupational education	515,100	480,809	480,809	-	-
Teaching special schools	272,914	344,273	255,069	-	89,204
Instructional media	2,608,804	2,870,202	2,644,832	31,932	193,438
Pupil services	4,371,030	4,450,025	4,248,541	32,921	168,563
Total instructional	<u>46,063,931</u>	<u>45,249,559</u>	<u>44,026,203</u>	<u>280,077</u>	<u>943,279</u>
Pupil transportation	<u>4,289,319</u>	<u>4,284,876</u>	<u>3,505,622</u>	<u>4,309</u>	<u>774,945</u>
Employee benefits	<u>19,198,165</u>	<u>19,463,618</u>	<u>18,148,635</u>	<u>-</u>	<u>1,314,983</u>
Debt service - principal	3,571,676	3,571,676	3,571,676	-	-
Debt service - interest	443,795	443,795	342,606	-	101,189
Total debt service	<u>4,015,471</u>	<u>4,015,471</u>	<u>3,914,282</u>	<u>-</u>	<u>101,189</u>
TOTAL EXPENDITURES	82,965,819	83,082,777	78,834,867	812,483	3,435,427
Other Financing Uses					
Transfers to other funds	<u>326,066</u>	<u>1,426,066</u>	<u>1,426,066</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 83,291,885</u>	<u>\$ 84,508,843</u>	<u>80,260,933</u>	<u>\$ 812,483</u>	<u>\$ 3,435,427</u>
Net change in fund balances			5,015,038		
Fund balances - beginning of year			<u>9,374,480</u>		
Fund balances - end of year			<u>\$ 14,389,518</u>		

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.

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

TOTAL OPEB LIABILITY	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 6,092,622	\$ 5,383,798	\$ 4,480,232	\$ 5,928,445	\$ 5,895,967
Interest	3,232,790	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	(30,595,489)	13,230,197	25,037,818	(24,032,890)	-
Benefit payments	<u>(3,402,865)</u>	<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	(24,672,942)	(9,779,128)	30,529,346	(12,235,509)	6,781,720
TOTAL OPEB LIABILITY - BEGINNING	<u>145,265,930</u>	<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>\$ 120,592,988</u>	<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	\$ 39,458,368	\$ 37,921,843	\$ 37,921,843	\$ 42,403,978
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	305.62%	368.15%	408.85%	328.35%	322.50%

NOTES TO SCHEDULE:*Trust Assets*

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

Changes of Assumptions

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

The following are the discount rates used in each period:

2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.00%

**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										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 987,525	\$ 1,062,062	\$ 980,668	\$ 994,236	\$ 1,031,576	\$ 1,007,553	\$ 1,297,426	\$ 1,118,958	\$ 1,132,435	\$ 968,140
Contributions in relation to the contractually required contribution	987,525	1,062,062	980,668	994,236	1,031,576	1,007,553	1,297,426	1,118,958	1,132,435	968,140
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,706,322	\$ 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
Contributions as a percentage of covered payroll	14.73%	14.99%	13.82%	14.03%	14.59%	14.38%	19.62%	18.75%	19.71%	17.01%
TRS Pension Plan										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 3,379,599	\$ 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
Contributions in relation to the contractually required contribution	3,379,599	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
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 34,704,331	\$ 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
Contributions as a percentage of covered payroll	9.74%	9.53%	8.86%	10.54%	9.80%	11.62%	13.26%	17.53%	16.25%	11.84%

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

ERS Pension Plan								
	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0196324%	0.0189361%	0.0197184%	0.0194964%	0.0211987%	0.024218%	0.024139%	0.022974%
District's proportionate share of the net pension asset/(liability)	\$ 1,604,866	\$ (18,855)	\$ (5,221,555)	\$ (1,381,378)	\$ (684,177)	\$ (2,275,550)	\$ (3,874,309)	\$ (76,119)
District's covered payroll	\$ 6,907,109	\$ 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	23.23%	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)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan								
	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.205838%	0.205813%	0.202140%	0.210327%	0.213371%	0.214846%	0.215159%	0.216106%
District's proportionate share of the net pension asset/(liability)	\$35,669,724	\$ (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	\$34,926,905	\$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	102.13%	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)	113.25%	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
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET -GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 82,755,890
Add: Prior year's encumbrances		535,995
Original Budget		83,291,885
Add: Budget revisions		
Appropriation of capital reserve		600,000
Appropriation of employee benefit accrued liability reserve		300,000
Appropriation of workers' compensation reserve		100,000
Insurance reimbursements		24,758
Donations		192,200
Final Budget		\$ 84,508,843

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter approved expenditure budget		\$84,981,612
Maximum allowed (4% of 2022-2023 budget)		\$3,399,264
General fund fund balance subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance:		
Assigned fund balance	\$ 812,483	
Unassigned fund balance	3,399,264	
Total unrestricted fund balance		4,211,747
Less:		
Encumbrances included in assigned fund balance	812,483	
Total adjustments		812,483
General fund fund balance subject to Section 1318 of Real Property Tax Law		\$ 3,399,264
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, 2022

Project Title		Original Authorization	Revised Authorization	Expenditures			Total	Methods of Financing					Total	Fund Balance June 30, 2022
				Prior Years	Current Year	Transfers		Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Other Financing Sources - Leases	Local Sources		
Available Appropriations 2018-19	9999	\$ 600,000	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ 310,104	\$ 310,104	\$ 310,104
HS Gym Renovation (Capital Reserve)	2000	600,000	600,000	-	15,002	-	15,002	584,998	-	-	-	600,000	600,000	584,998
Mandalay Emergency Gym Repair	3015	500,000	500,000	-	-	-	-	500,000	-	-	-	500,000	500,000	500,000
HS Library Univent Replacement (18-19 appropriation)	1038	-	290,000	6,251	134,870	-	141,121	148,879	-	-	-	290,000	290,000	148,879
Smart Schools: Security and Technology	9004	9,645	1,340,358	1,323,926	-	-	1,323,926	16,432	-	1,331,939	-	-	1,331,939	8,013
21-22 Lease Agreements		627,099	627,099	-	627,099	-	627,099	-	-	-	627,099	-	627,099	-
Totals		<u>\$ 2,336,744</u>	<u>\$ 3,667,457</u>	<u>\$ 1,330,177</u>	<u>\$ 776,971</u>	<u>\$ -</u>	<u>\$ 2,107,148</u>	<u>\$ 1,560,309</u>	<u>\$ -</u>	<u>\$ 1,331,939</u>	<u>\$ 627,099</u>	<u>\$ 1,700,104</u>	<u>\$ 3,659,142</u>	<u>\$ 1,551,994</u>

**WANTAGH UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022**

Capital assets, net		\$ 47,809,395
Intangible lease assets, net		1,141,442
Add:		
Deferred charges on refundings		133,920
Deduct:		
Short-term portion of bonds payable (inclusive of unamortized premiums)	(2,395,073)	
Short-term portion of lease liability	(405,250)	
Short-term portion of energy performance contract	(625,106)	
Long-term portion of bonds payable (inclusive of unamortized premiums)	(1,157,413)	
Long-term portion of lease liability	(638,694)	
Long-term portion of energy performance contract	<u>(5,556,828)</u>	<u>(10,778,364)</u>
 Net investment in capital assets		 <u><u>\$ 38,306,393</u></u>

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

To the Board of Education
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, 2022, 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 3, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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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, New York
October 3, 2022