

**WYANDANCH UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES WITH
INDEPENDENT AUDITOR'S REPORTS
IN CONNECTION WITH OMB CIRCULAR A-133
For the year ended June 30, 2014**

WYANDANCH UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

PAGE(s)

**INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND
BASIC FINANCIAL STATEMENTS**

Independent Auditor's Report	4-5
------------------------------------	-----

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis.....	7-18
---	------

FINANCIAL STATEMENTS

Statement of Net Position	20
---------------------------------	----

Statement of Activities	21
-------------------------------	----

Balance Sheet - Governmental Funds	22
--	----

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	23
--	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	24
---	----

Reconciliation of Governmental Funds - Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	25
---	----

Statement of Fiduciary Net Position - Fiduciary Funds	26
---	----

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements	28-49
-------------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	51-52
--	-------

Schedule of Funding Progress - Other Post-Employment Benefits.....	53
--	----

WYANDANCH UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

PAGE(s)

OTHER SUPPLEMENTARY INFORMATION

Schedule of Change from Adopted Budget to Final Budget and
the Real Property Tax Limit - General Fund55

Schedule of Project Expenditures - Capital Projects Fund56

Investment in Capital Assets - Net of Related Debt57

FEDERAL GRANT COMPLIANCE AUDIT

Report on Internal Control over Financial Reporting and Compliance
and Other Matters Based on and Audit of Financial Statements Performed In
Accordance with Government Auditing Standards59-60

Independent Auditor's Report On Compliance with Requirements
Applicable to of Each Major Program and on
Internal Control over Compliance In Accordance with OMB Circular A-13361-62

Schedule of Expenditures of Federal Awards63

Notes to the Schedule of Expenditures of Federal Awards64

Schedule of Findings and Questioned Costs and Summary Schedule
of Prior Year's Audit Findings65-68

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL
STATEMENTS ISSUED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Education of
The Wyandanch Union Free School District
Wyandanch, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and fiduciary funds of Wyandanch Union Free School District, ("the District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, , each major fund, and the fiduciary funds of the Wyandanch Union Free School District, as of June 30, 2014, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress of retiree health plans on pages 7-18 and 51-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wyandanch Union Free School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the New York State Education department. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other 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 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 November 6, 2014, on our consideration of the Wyandanch Union Free School 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 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 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 Wyandanch Union Free School District's internal control over financial reporting and compliance.



Valley Stream, New York
November 6, 2014

WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

WYANDANCH UNION FREE SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The Wyandanch Union Free School District's Discussion and Analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

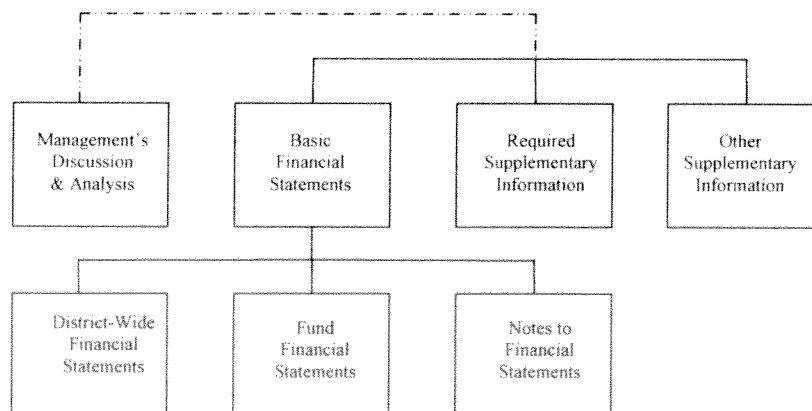
1. Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by \$2,108,892.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$63,693,035 of this amount \$4,019,363 was offset by program charges for services and operating grants. General revenues of \$57,564,780 amount to approximately 94% of total revenues, and did not cover the balance of program expenses, this was offset by \$1,250,000 from prior year's reserves and additional usage from fund balance.
- The general fund's total fund balance of \$2,009,442, as reflected in the fund financial statements, decreased by (\$2,649,324). This was due to an excess of expenditures over revenues based on the modified accrual basis of accounting..

2. Overview of the Financial Statements

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



WYANDANCH UNION FREE SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

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

Governmental Funds

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

WYANDANCH UNION FREE SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

2. Overview of the Financial Statements - (Continued)

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

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

The District maintains five individual governmental funds: general fund, special aid fund, school lunch fund and capital projects fund; each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee and utilize the accrual basis of accounting. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The fiduciary activities have been excluded from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

3. Financial Analysis of the District as a Whole

A. Net Position

The District's total net position decreased by \$2,108,892 between the fiscal year 2014 and 2013. A summary of the District's Statement of Net Position is as follows:

Current and other assets decreased by \$10,355,762, as compared to the prior year. The decrease is attributed to the renovation of school buildings, which cause and increase in capital assets.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current and Other Assets	\$ 14,951,646	\$ 25,307,408	\$ (10,355,762)	(40.92)%
Capital Assets, Net	<u>35,608,301</u>	<u>25,154,389</u>	<u>10,453,912</u>	41.56 %
Total Assets	50,559,947	50,461,797	98,150	0.19 %
Current and Other Liabilities	7,721,291	5,185,240	2,536,051	48.91 %
Long-Term Liabilities	29,357,306	29,902,828	(545,522)	(1.82)%
Net Other Postemployment Benefit Obligation	<u>5,496,192</u>	<u>5,388,424</u>	<u>107,768</u>	2.00 %
Total Liabilities	42,683,534	40,476,492	2,098,297	5.18 %
Net Position				
Invested in Capital Assets, Net of Related Debt	13,830,397	13,197,290	633,107	4.80 %
Restricted	1,549,975	1,277,356	272,619	21.34 %
Unrestricted (deficit)	<u>(7,503,959)</u>	<u>(4,489,341)</u>	<u>(3,014,618)</u>	67.15 %
Total Net Position	<u>\$ 7,876,413</u>	<u>\$ 9,985,305</u>	<u>\$ (2,108,892)</u>	(21.12)%

Capital assets, net increased by \$10,453,912 as compared to the prior year. This increase is primarily due to investment in capital assets at cost, such as construction in progress, buildings and improvements, equipments, net of depreciation expense. The accompanying Notes to Financial Statements, Note 8 "Capital Assets" provides additional information.

Current and other liabilities increased by \$2,536,051, as compared to the prior year. This increase is primarily due to increase in accounts payables.

Long-term liabilities decreased by \$545,522 as compared to the prior year. This decrease is primarily due to the result of payments of serial bonds.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

3. Financial Analysis of the District as a Whole - (Continued)

Net other postemployment benefits obligation in the amount of \$5,496,192 has been included in accordance with GASB Statement No. 45. The accompanying Notes to Financial Statements, Note 13 – “Postemployment Benefits”, provides additional information.

The net assets invested in capital assets, net of related debt, relates to the investment in capital assets at cost such as land; construction in progress; buildings and improvements; site improvements; and, furniture and equipment; and vehicles, net of depreciation and related debt. This number increased compared to the prior year by \$12,786,570 as follows:

	<u>Increase (Decrease)</u>
Capital asset additions - total	\$ <u>11,023,372</u>
Additions financed by appropriations	11,023,372
Principal debt reduction of construction bonds	955,000
Depreciation expense	<u>808,198</u>
	<u>\$ 12,786,570</u>

The unrestricted deficit in the amount of \$(7,503,959) relate to the balance of district's net position. This number does not include the district's other reserves which are classified as restricted. Additionally, in accordance with state guidelines, the District is only permitted to fund OPEB on “pay as you go” basis, and is not permitted to accumulate funds for net OPEB obligations.

The restricted amount of \$1,549,975 consisted of the District's reserves. This number decreased compared to prior year by \$272,619.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements, in which, STAR (school tax relief) revenue is included in the other tax items line. However, in this MD & A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2014 and 2013 is as follows:

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

3. Financial Analysis of the District as a Whole - (Continued)

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 136,046	\$ 318,168	\$ (182,122)	(57.24)%
Operating Grants	4,934,570	4,059,029	875,541	21.57 %
General Revenues				
Property Taxes and STAR	21,767,057	21,427,571	339,486	1.58 %
Use of Money	45,642	64,940	(19,298)	(29.72)%
State Sources	34,366,440	33,643,094	723,346	2.15 %
Other	334,388	1,760,528	(1,426,140)	(81.01)%
Total Revenues	<u>61,584,143</u>	<u>61,273,330</u>	<u>310,813</u>	0.51 %
Expenses				
General Support	9,802,024	9,261,050	540,974	5.84 %
Instruction	46,342,795	44,104,593	2,238,202	5.07 %
Pupil Transportation	4,489,557	4,166,845	322,712	7.74 %
Community Services	102,135	14,197	87,938	100.00 %
Debt Service - Interest	1,580,084	1,485,241	94,843	6.39 %
Food Service Program	568,242	569,591	(1,349)	(0.24)%
Depreciations (Unallotted)	808,198	801,791	6,407	0.80 %
Total Expenses	<u>63,693,035</u>	<u>60,403,308</u>	<u>3,289,727</u>	5.45 %
(Decrease) in Net Position	<u>\$ (2,108,892)</u>	<u>\$ 870,022</u>	<u>\$ (2,978,914)</u>	342.40 %

B. Changes in Net Position

The District's 2014 revenues increased by \$310,813 or 0.51% as compared to the prior year. The District's expenditures for the year increased by \$3,289,727 or 5.45 %. The largest components of expenses were the costs for general support and instruction

As indicated on the pie charts that follow, state sources and, real property taxes and STAR are the largest components of revenues recognized (i.e., 91% and 90 % of the total for the two years 2014 and 2013, respectively). Instructional expenses are the largest category of expenses incurred, (i.e., 89% and 89% of the total for the two years 2014 and 2013, respectively).

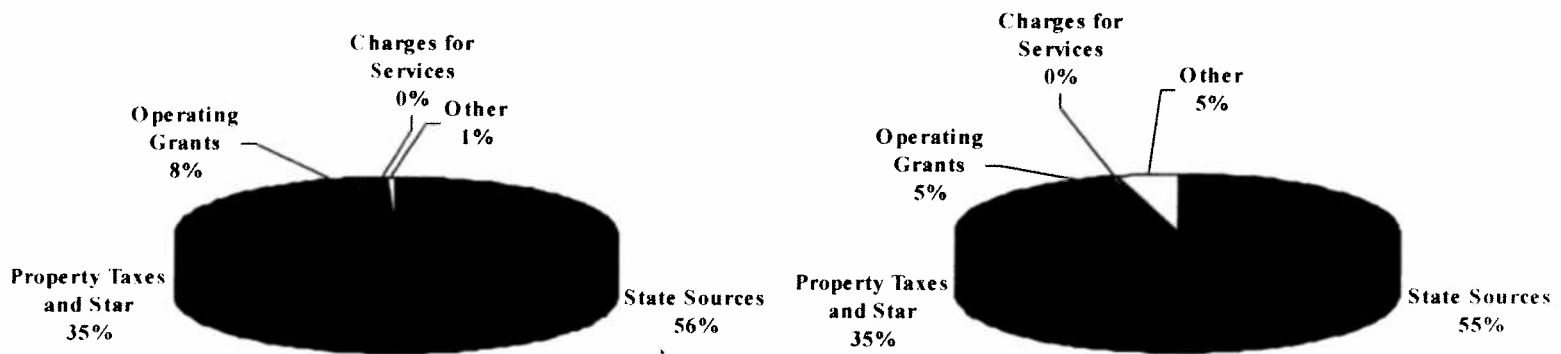
**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

3. Financial Analysis of the District as a Whole - (Continued)

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

June 30, 2014

June 30, 2013



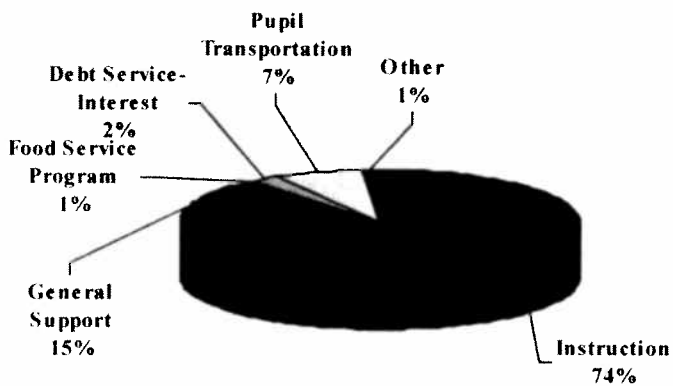
**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

3. Financial Analysis of the District as a Whole - (Continued)

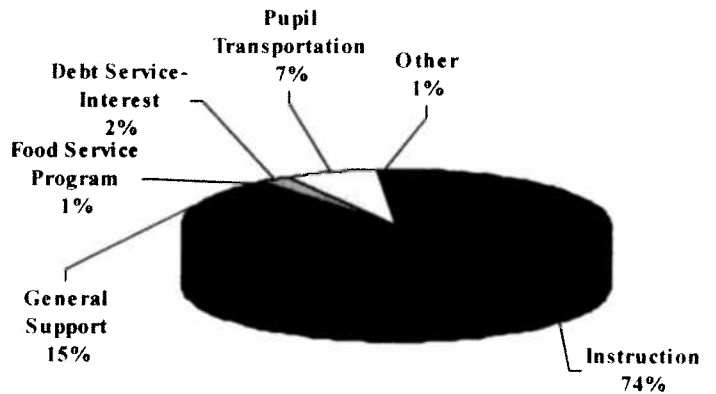
B. Changes in Net Position

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

June 30, 2014



June 30, 2013



**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

4. Financial Analysis of the District's Funds

At June 30, 2014, the District's governmental funds reported a combined fund balance of \$7,155,417 which is a decrease of \$13,658,562 from the prior year. A summary of the change in fund balances by fund classification is as follows:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
General Fund:			
Restricted			
Workers' compensation	\$ 750,000	\$ 750,000	\$ -
Retirement Contribution	500,000	500,000	-
Compensated absence	299,975	-	299,975
Encumbrances	37,887	1,748	36,139
Assigned:			
Appropriated fund balance	-	1,250,000	(1,250,000)
Unappropriated fund balance	-	-	-
Unassigned:			
Fund balance	<u>421,580</u>	<u>2,157,018</u>	<u>(1,735,438)</u>
	<u>2,009,442</u>	<u>4,658,766</u>	<u>(2,649,324)</u>
 School Lunch Fund:			
Non-spendable Inventory	10,832	9,477	1,355
Assigned:			
Unappropriated fund balance	<u>20,803</u>	<u>(1,010)</u>	<u>21,813</u>
	<u>31,635</u>	<u>8,467</u>	<u>23,168</u>
 Capital Projects Fund:			
Unassigned:			
Fund balance	<u>5,114,340</u>	<u>16,146,746</u>	<u>(11,032,406)</u>
Total Fund Balance	<u><u>\$ 7,155,417</u></u>	<u><u>\$ 20,813,979</u></u>	<u><u>\$ (13,658,562)</u></u>

A. General Fund

The general fund - fund balance decreased by \$2,649,324 as compared to the prior year. This decrease is due to expenditures in excess of revenues.

B. School Lunch

The net change in the school lunch fund - fund balance is an increase of \$21,813 primarily due to a budgeted interfund transfer from the general fund.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

4. Financial Analysis of the District's Funds - (Continued)

C. Capital Projects Fund

The capital projects fund - fund balance decreased by \$11,032,406 primarily due to the renovations of school buildings.

5. General Fund Budgetary Highlights

A. 2013-14 Budget

The District's general fund adopted budget for the year ended June 30, 2014 was \$60,282,064. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,748 for a total final budget of \$60,283,812

The budget was funded through a combination of revenues sources, primarily State sources (\$34,695,093 was the adopted budget total) and Property Tax Levy (\$21,790,533).

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

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and appropriations 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	\$ 2,157,018
Revenues Under Budget	(1,027,021)
Expenditures and Encumbrances Over Budget	(1,567,293)
Net Reserve Revenues and expenditures	<u>858,876</u>
Closing, Unassigned Fund Balance	<u><u>\$ 421,580</u></u>

Opening, Unassigned Fund Balance

The \$2,157,018 shown in the table is the portion of the District's June 30, 2013 fund balance that was retained as unassigned fund balance.

Revenues over Budget

The 2013-14 final budgets for revenues were \$59,030,316. Actual revenues received for the year were \$58,003,293. The revenue under budget totaling \$1,027,021 is shown in Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

5. General Fund Budgetary Highlights – (Continued)

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

Expenditures and Encumbrances under Budget

The 2013-14 final budgets for expenditures, as of June 30, 2014, were \$60,280,316. Actual expenditures as of June 30, 2014 were \$61,266,599 and outstanding encumbrances were \$37,887. The final budget was over expended by \$1,567,293. This over expenditure contributes to the change to the undesignated portion of the general fund balance from June 30, 2013 to June 30, 2014.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2014-15 fiscal year with an undesignated fund balance of \$421,580. This is a decrease of \$1,735,438 as compared to the unassigned balance from the prior year as of June 30, 2013. This Unassigned portion represents approximately 0.7% of the approved budget and is not in excess of the permissible 4% statutory maximum per section 1318 of the New York State Real Property Tax Law.

6. Capital Assets and Debt Administration

A. Capital Assets

At June 30, 2014, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital additions less depreciation recorded for the year ended June 30, 2014. A summary of the District's capital assets, net of depreciation at June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Land	\$ 12,681,917	\$ 12,681,917	\$ -
Construction in Progress	157,622	890,492	(732,870)
Buildings and Improvements	21,637,249	10,239,553	11,397,696
Land Improvements	129,277	163,722	(34,445)
Furniture and Equipment	524,196	531,979	(7,783)
Vehicles	478,040	646,726	(168,686)
Capital assets, Net	<u>\$ 35,608,301</u>	<u>\$ 25,154,389</u>	<u>\$ 10,453,912</u>

The increase in the current year reflects current year additions of \$10,453,912 net of depreciation of \$808,198.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

6. Capital Assets and Debt Administration – (Continued)

B. Debt Administration

At June 30, 2014, the District had total bonds payable of \$23,525,000. The bonds were issued for school building improvements. The increase in outstanding debt represents new bond to repair the School Buildings principal payments. A summary of the outstanding debt at June 30, 2014 and 2013 is as follows:

<u>Interest Rate</u>	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
2.25%-4.125%	\$ 2,525,000	\$ 3,300,000	\$ (775,000)
2.00%-3.125%	1,650,000	1,830,000	(180,000)
2.25-4.128%	3,800,000	3,800,000	-
3.5-4.0%	15,550,000	15,550,000	-
	<u>\$ 23,525,000</u>	<u>\$ 24,480,000</u>	<u>\$ (955,000)</u>

7. Economic Factors and Next Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 20, 2014, for the year ending June 30, 2015, and totals \$60,925,000. This was an increase of \$644,684 from the previous year's budget.

The District revenue budget increased by \$3,781,611 in which we benefited in an increase from State Sources in the amount of \$1,676,505, along with applying \$1,250,000 of Appropriate Surplus.

8. Tax Cap

Chapter 97 of the 2011 Laws of New York limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation effective for the 2013-14 fiscal years. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast.

**Dr. Thomas Tolliver
President, Board of Education
Wyandanch Union Free School District
1445 Straight Path Road
Wyandanch, New York 11798-8800
(631) 870-0405**

FINANCIAL STATEMENTS

WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2014

ASSETS:

Cash:	
Unrestricted	\$ 9,148,078
Restricted	100,514
Receivables:	
State and federal aid	4,809,153
Accounts receivable	883,069
Inventories	10,832
Capital assets being depreciated, net of accumulated depreciation	<u>35,608,301</u>
Total Assets	<u>50,559,947</u>

LIABILITIES:

Payables:	
Accounts payable	2,364,225
Accrued liabilities	234,230
Due to fiduciary funds	302,012
Due to other governments	24,537
Due to teachers' retirement system	3,658,839
Due to employees' retirement system	1,137,445
Deferred revenues	
Long-term Liabilities:	
Due and payable within one year:	
Bonds payable	2,090,000
Installment purchase debt payable	259,799
Compensated Absence	299,975
Due and payable after one year:	
Claims payable	1,140,735
Bonds payable	21,435,000
Installment purchase debt payable	3,118,279
Terminated benefits payable	-
Compensated absences payable	1,013,521
Net other post employment benefits obligation	<u>5,496,192</u>
Total Liabilities	<u>42,574,789</u>
Deferred inflows of resources:	
Deferred revenues	<u>108,745</u>
Total Deferred Inflows of Revenues	<u>108,745</u>

NET POSITION:

Investment in capital assets, net of related debt	13,830,397
Restricted net assets	1,549,975
Unrestricted (deficit)	<u>(7,503,959)</u>
Total Net Position	<u>\$ 7,876,413</u>

The accompanying notes are an integral part of these financial statements.

WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the year ended June 30, 2014

		<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Position</u>
Programs/Functions				
General support	\$ 9,802,024	\$ -	\$ -	\$ (9,802,024)
Instruction	46,342,795	46,416	2,751,722	(43,544,657)
Pupil transportation	4,489,557	-	-	(4,489,557)
Community service	102,135	-	-	(102,135)
Debt service - Interest	1,580,084	-	-	(1,580,084)
School lunch program	568,242	89,630	1,131,595	652,983
Depreciation (unallocated)	808,198	-	-	(808,198)
Total Programs and Functions	<u>\$ 63,693,035</u>	<u>\$ 136,046</u>	<u>\$ 3,883,317</u>	<u>(59,673,672)</u>
General Revenues				
Real property taxes				18,703,664
Other tax items - including STAR reimbursement				3,063,393
Use of money and property				45,642
Sale of property and compensation for loss				244,167
Miscellaneous				90,221
State sources				34,366,440
Medicaid reimbursement and IRS Subsidy				1,051,253
Total General Revenues				<u>57,564,780</u>
Changes in Net Position				(2,108,892)
Total net position at beginning of year				<u>9,985,305</u>
Total net position at end of year				<u>\$ 7,876,413</u>

The accompanying notes are an integral part of these financial statements.

WYANDANCH UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash:					
Unrestricted	\$ 3,186,058	\$ -	\$ 20,726	\$ 5,941,294	\$ 9,148,078
Restricted	100,514	-	-	-	100,514
Receivables:					
Accounts receivable	883,069	-	-	-	883,069
State and Federal aid	2,485,176	1,991,109	332,867	-	4,809,152
Due from other funds	2,799,534	33,808	-	-	2,833,342
Inventories	-	-	10,832	-	10,832
Total Assets	\$ 9,454,351	\$ 2,024,917	\$ 364,425	\$ 5,941,294	\$ 17,784,987
<u>Liabilities</u>					
Payables:					
Accounts payable	\$ 2,030,239	\$ 80,604	\$ 134,023	\$ 119,357	\$ 2,364,223
Accrued liabilities	215,860	7,221	11,151	-	234,232
Due to other funds	302,012	1,912,853	189,918	696,763	3,101,546
Due to other governments	-	24,239	299	-	24,538
Due to teachers retirement system	3,658,839	-	-	-	3,658,839
Due to employees retirement system	1,137,445	-	-	-	1,137,445
Total Liabilities	7,344,395	2,024,917	335,391	816,120	10,520,823
Deferred Inflows of Resources					
Deferred Revenues	100,514	-	8,231	-	108,745
Total Deferred Inflows of Resources	100,514	-	8,231	-	108,745
<u>Fund Balances</u>					
Non-spendable - Inventory	37,887	-	10,832	-	48,719
Retirement contribution	500,000	-	-	-	500,000
Workers' compensation	750,000	-	-	-	750,000
Compensated absence	299,975	-	-	-	299,975
Assigned:					
Appropriated fund balance	-	-	-	-	-
Assigned - Unappropriated	-	-	-	-	-
Unassigned	421,580	-	9,971	5,125,174	5,556,725
Total Fund Balances	2,009,442	-	20,803	5,125,174	7,155,419
Total Liabilities and Fund Balances	\$ 9,454,351	\$ 2,024,917	\$ 364,425	\$ 5,941,294	\$ 17,784,987

The accompanying notes are an integral part of these financial statements.

**WYANDANCH UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2014**

Total Governmental Fund Balances \$ 7,155,419

Amounts reported for governmental activities in the
Statement of Net Assets 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	56,893,603	
Accumulated depreciation	(21,285,302)	
		35,608,301

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Bonds payable	(23,525,000)	
Installment debt purchase payable	(3,378,078)	
Due to other fund	(33,809)	
Claims payable	(1,140,735)	
Termination benefits payable	(299,975)	
Compensated absences payable	(1,013,518)	
Net other post-employment benefit obligation	(5,496,192)	
		(34,887,307)

Total Net Position \$ 7,876,413

WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
June 30, 2014

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Real property taxes	\$ 18,703,664	\$ -	\$ -	\$ -	\$ 18,703,664
Other tax items - including STAR reimbursement	3,063,393	-	-	-	3,063,393
Charges for services	46,416	-	-	-	46,416
Use of money and property	45,642	-	63	-	45,705
Forfeitures and compensation loss	244,167	-	-	-	244,167
Miscellaneous	390,221	-	-	-	390,221
State sources	34,366,440	689,748	34,917	-	35,091,105
Federal sources	1,051,253	2,061,974	1,096,615	-	4,209,842
Sales	-	-	89,630	-	89,630
Total revenues	<u>57,911,196</u>	<u>2,751,722</u>	<u>1,221,225</u>	<u>-</u>	<u>61,884,143</u>
<u>EXPENDITURES</u>					
General support	\$ 6,837,880	\$ -	\$ 646,696	\$ -	\$ 7,484,576
Instruction	30,641,430	2,751,722	-	-	33,393,152
Pupil transportation	3,482,716	-	-	-	3,482,716
Community service	95,716	-	-	-	95,716
Employee benefits	17,284,006	-	136,150	-	17,420,156
Debt service:					
Principal	1,200,766	-	-	-	1,200,766
Interest	1,580,084	-	-	-	1,580,084
Cost of sales	-	-	568,242	-	568,242
Capital outlay	-	-	1,800	11,021,572	11,023,372
Total expenditures	<u>\$ 61,122,598</u>	<u>\$ 2,751,722</u>	<u>\$ 1,352,888</u>	<u>\$ 11,021,572</u>	<u>\$ 76,248,780</u>
Excess (Deficiency) of Revenue over expenditures	<u>(3,211,402)</u>	<u>-</u>	<u>(131,663)</u>	<u>(11,021,572)</u>	<u>(14,364,637)</u>
<u>OTHER FINANCING SOURCES AND USES</u>					
Refunded bonds issued	-	-	-	-	-
Operating transfers In	92,097	-	144,000	-	236,097
Operating transfers (Out)	(144,000)	-	-	-	(144,000)
Total Other Sources (Uses)	<u>\$ (51,903)</u>	<u>\$ -</u>	<u>\$ 144,000</u>	<u>\$ -</u>	<u>\$ 92,097</u>
Net change in Fund Balance	<u>(3,263,305)</u>	<u>-</u>	<u>12,337</u>	<u>(11,021,572)</u>	<u>(14,272,540)</u>
Prior Period Adjustment	<u>613,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,981</u>
Fund balance at Beginning of Year	<u>4,658,766</u>	<u>-</u>	<u>8,466</u>	<u>16,146,746</u>	<u>20,813,978</u>
Fund balance at end of year	<u>\$ 2,009,442</u>	<u>\$ -</u>	<u>\$ 20,803</u>	<u>\$ 5,125,174</u>	<u>\$ 7,155,419</u>

The accompanying notes are an integral part of these financial statements.

WYANDANCH UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS, STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
June 30, 2014

Net Change in Fund Balances	\$ (14,272,540)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick days), are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used

(286,137)

Worker's compensation claims payable in the Statement of Activities from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however the payable is recognized as it accrues regardless of when it is due. Accrued claims payable from June 30, 2013 to June 30, 2014 changed by

902,875

Net other post-employment benefits obligation payable in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however the payable is recognized as it accrues regardless of when it is due. Net other post-employment benefits obligation payable changed from the prior year by

(107,768)

Long-Term Debt Transactions

Repayment of bond principal and installment debt principals an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities

1,200,766

Issuance of bonds payable included as revenue in the governmental funds, but as an increase in long-term liabilities in the Statement of Net Position

-

Interest on long-term debt in the Statement of Activities from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and this requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2013 to June 30, 2014 changed by

-

Capital Related Items

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 assets and allocated over their useful lives as annual depreciation expense in the Statement of Activities

Capital outlays	11,262,110	
Depreciation expense	(808,198)	
	10,453,912	

Change in Net Position of Governmental Activities	\$ <u>(2,108,892)</u>
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The accompanying notes are an integral part of these financial statements.

WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ (302,012)
Due from other funds	<u>302,012</u>
Total Assets	\$ <u><u>-</u></u>
<u>LIABILITIES AND NET POSITION</u>	
Extra class-room activity balance	\$ 14,851
Other liabilities	<u>-</u>
Total Liabilities	\$ <u><u>14,851</u></u>
Net Position	\$ <u><u>(14,851)</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wyandanch Union Free School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are as follows:

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education 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. Board members have authority to make decisions, power to appoint management, and primary accountability of all fiscal matters.

The financial reporting entity is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extra-classroom Activity Funds

The extra classroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

The District reports these assets held by its agent for extra classroom organizations in the statement of Fiduciary Net Position - Fiduciary Fund. Separate audited financial statements of the extra classroom activity funds can be found at the District's Business Office.

B. Joint Venture

The District is a component district in the Western Suffolk Board of Cooperative Educational Services of Nassau (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under Section §1950 of the Education

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 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 General Municipal Law.

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

C. Basis of Presentation

District-Wide Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major governmental funds, each as defined by GASB, each displayed in a separate column. The District's financial statements reflect the following fund categories:

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds:

- ◆ **General Fund** - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.
- ◆ **Special Aid Fund** - is used to account 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** - is used to account for the activities of the school lunch operations.
- ◆ **Capital Projects Fund** - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.
- ◆ **Fiduciary Funds** - are used to account for activities in which the District acts as trustee or agent 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. Fiduciary Funds consist of:
 - **Agency Funds** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extra classroom activity funds and for payroll or employee withholding.

D. Basis of Accounting and Measurement Focus

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

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

principal and interest on general long-term debt, claims and judgments, and compensated absences, and other postemployment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Real Property Taxes

Calendar

Real property taxes are levied annually by the Board of Education no later than October 31st and become a lien. Taxes are collected by the Town of Babylon and remitted to the District.

Enforcement

Uncollected real property taxes are subsequently enforced by Suffolk County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than June 30th.

F. Restricted Resources

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

G. Interfund Transactions

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

In the district-wide statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A detailed disclosure by individual fund for interfund receivables, payables, transfers in and transfers out activity is provided subsequently in these Notes to Financial Statements.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including, compensated absences, other postemployment benefits, workers' compensation liabilities, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents/Investments

Cash and Cash Equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J. Receivables

Receivables are shown gross with uncollectible amounts recognized under the allowance method.

K. 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 donated by the U.S. Department of Agriculture, at the Government assigned value, which approximates market.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources. Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect cost 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 as the time of purchase and expense/expenditure is reported in the year the goods or services are consumed.

L. Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, for acquisitions subsequent to June 30, 2000. For assets acquired prior to June 30, 2000, estimated historical costs based on professional third-party information are utilized. Donated assets are reported at estimated fair market value at the date of donation.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

	Capitalization Threshold	Estimated Useful Life
Buildings and Building Improvements	\$ 1,000	50 years
Furniture and Equipment	\$ 1,000	5-8 years
Land Improvements	\$ 1,000	20 years
Vehicles	\$ 1,000	8 years

M. Deferred Revenues

Deferred Revenues are reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred revenues are reclassified as revenues.

N. Vested Employee Benefits - Compensated Absences

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

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end. In the fund financial statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay as you go basis.

O. Other Benefits

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

retirement age while working for the District. Health-care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee based upon the terms of their bargained agreement. The District accounts for these postemployment benefits in accordance with GASB Statement No. 45 (GASB 45) *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditure in the general fund, in the year paid. In the District-wide statements, postemployment costs are measured and disclosed using the accrual basis of accounting.

P. Short-Term Debt

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

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

Q. Accrued Liabilities and Long - Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability 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 a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due and payable within one year or due and payable after one year in the Statement of Net Assets.

R. Equity Classifications

Reserve for Encumbrances

Reserve for Encumbrances represents the amounts of outstanding encumbrances at the year end of the fiscal year. This reserve is accounted for in the general and capital projects funds.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits, and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 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. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. 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 is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used for reserve funds for the payment of accrued employee benefit due to 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. The reserve is accounted for in the general fund.

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific 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 section §3651 of the Education Law. The reserve is accounted for in the general fund.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Repairs Reserve

Repairs Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. The reserve is accounted for in the general fund.

Restricted for Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the debt service fund.

Assigned - Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. 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. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes encumbrances not classified as restricted or committed at the end of the fiscal year.

Unassigned - Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts has been restricted or assigned. NYS Real property Tax Law §1318, restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the subsequent year's budget.

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 of education if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Education.

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the assigned fund balance to the extent that there is an assignment and then from the unassigned fund balance

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the 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 Sheet.

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget.

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 budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). 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. No supplemental appropriations occurred during the year.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

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 part of other assigned, unappropriated fund balances, unless classified as restricted or committed 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.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

a. Cash:

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC), insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities 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 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- a. Uncollateralized;
- b. Collateralized by securities held by the pledging financial institution in the District's name; or
- c. Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

b. Investments:

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

NOTE 5. PARTICIPATION IN BOCES

During the year ended June 30, 2014, the District was billed \$6,807,432 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,472,744. Financial statements for the BOCES are available from the BOCES administrative offices.

**WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6. STATE AND FEDERAL AID RECEIVABLE

State and Federal Aid Receivable at June 30, 2014 consisted of:

General Fund:

BOCES Aid	\$ 1,472,744
New York State - Excess Cost Aid	<u>1,012,432</u>
	2,485,176

Special Aid Fund:

Federal and State Grants	1,991,109
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School Lunch Fund:

Federal and State Food Service Program Reimbursement	<u>332,867</u>
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Total	\$ <u><u>4,809,152</u></u>
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WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2014 were as follows:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,681,917	\$ -	\$ -	\$ 12,681,917
Construction in progress	890,492	157,622	890,492	157,622
Total capital assets not being depreciated	<u>13,572,409</u>	<u>157,622</u>	<u>890,492</u>	<u>12,839,539</u>
Capital assets being depreciated:				
Buildings and improvements	21,535,824	11,828,412	-	33,364,236
Land improvements	688,894	-	-	688,894
Furniture and equipment	8,416,548	166,568	-	8,583,116
Vehicles	1,417,818	-	-	1,417,818
Total capital assets being depreciated	<u>32,059,084</u>	<u>11,994,980</u>	<u>-</u>	<u>44,054,064</u>
Less accumulated depreciation for:				
Building and improvements	11,296,271	430,716	-	11,726,987
Land improvements	525,172	34,445	-	559,617
Furniture and equipment	7,884,569	174,351	-	8,058,920
Vehicles	771,092	168,686	-	939,778
Total accumulated depreciation	<u>20,477,104</u>	<u>808,198</u>	<u>-</u>	<u>21,285,302</u>
Total capital assets being depreciated, net	<u>11,581,980</u>	<u>11,186,782</u>	<u>-</u>	<u>22,768,762</u>
Capital Assets - net	<u>\$ 25,154,389</u>	<u>\$ 11,344,404</u>	<u>\$ 890,492</u>	<u>\$ 35,608,301</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2014 are as follows:

	<u>Interfund</u>			
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,799,534	\$ 335,820	\$ 92,907	\$ 144,000
Special Aid Fund	33,808	1,912,853	-	92,907
School Lunch Fund	-	189,918	144,000	-
Capital Projects Fund	-	696,763	-	-
Fiduciary Funds	302,012	-	-	-
Total	<u>\$ 3,135,354</u>	<u>\$ 3,135,354</u>	<u>\$ 236,907</u>	<u>\$ 236,907</u>

The District typically transfers from the general fund to the special aid fund, the school lunch fund and the capital projects fund in accordance with the general fund budget.

NOTE 9. SHORT-TERM LIABILITIES

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 6/30/2013</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6/30/2014</u>
TAN	6/27/2014	1.75%	\$ -	\$ 1,625,000	\$ 1,625,000	\$ -
TAN	6/27/2014	1.15%	-	7,400,000	7,400,000	-
TAN	6/27/2014	1.15%	-	-	-	-
Total			<u>\$ -</u>	<u>\$ 9,025,000</u>	<u>\$ 9,025,000</u>	<u>\$ -</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10. LONG-TERM LIABILITIES

Long-term Liabilities' balances and activities for the year are summarized below:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2014</u>	<u>Due Within</u> <u>One Year</u>
Long-term Debt:					
Bonds Payable	\$ 24,480,000	\$ -	\$ 995,000	\$ 23,485,000	\$ 2,090,000
Installment Purchase Debt	3,623,843	-	245,766	3,378,077	259,799
Total Long-Term Debt	<u>28,103,843</u>	<u>-</u>	<u>1,240,766</u>	<u>26,863,077</u>	<u>2,349,799</u>
Other Long-term Liabilities:					
Postemployment Benefits	5,388,423	107,768	-	5,496,191	-
Retirement Systems	299,918	1,137,445	299,918	1,137,445	1,137,445
Judgments and Claims Payable	502,894	654,137	16,296	1,140,735	-
Compensated Absences	1,000,000	116,317	102,799	1,013,518	-
Total Other Liabilities	<u>7,191,235</u>	<u>2,015,667</u>	<u>419,013</u>	<u>8,787,889</u>	<u>1,137,445</u>
Total Long-term Liabilities	<u>\$ 35,295,078</u>	<u>\$ 2,015,667</u>	<u>\$ 1,659,779</u>	<u>\$ 35,650,966</u>	<u>\$ 3,487,244</u>

The general fund has typically been used to liquidate other Long-term Liabilities.

Bonds payable comprised of the following:

<u>Description</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>6/30/2014</u>
Serial Bond	12/16/1997	4/1/2017	2.25%-4.125%	\$ 2,525,000
Serial Bond	8/25/2011	8/25/2015	2-3.125%	1,650,000
Serial Bond	8/25/2012	8/25/2027	2.25-4.128%	3,800,000
Serial Bond	12/15/2012	12/15/2027	3.5-4.0%	15,550,000
				<u>\$ 23,525,000</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10. LONG-TERM LIABILITIES – (Continued)

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

Fiscal Year				
<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	\$ 2,160,000	\$ 790,863	\$ 2,950,863	
2017	2,240,000	712,853	2,952,853	
2018	1,420,000	628,285	2,048,285	
2019	1,465,000	576,769	2,041,769	
2020	<u>1,515,000</u>	<u>522,735</u>	<u>2,037,735</u>	
	<u>\$ 8,800,000</u>	<u>\$ 3,231,504</u>	<u>\$ 12,031,504</u>	

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

	<u>Total</u>
Interest paid	<u>\$ 1,580,083</u>

NOTE 11. PENSION PLANS

A. General Information

The District participates in the New York State Teachers' Retirement System (NYSTRS) and the New York State and Local Employees' Retirement System (NYSERS). These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

Teachers' Retirement System

The NYSTRS is administered by the New York State Teachers' Retirement Board. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11. PENSION PLANS – (Continued)

Employees' Retirement System

The NYSERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Governor Alfred E. Smith, State Office Building, Albany, New York 12244.

C. Funding Policies

The Systems are noncontributory for the employee, except for those who either joined the Systems after July 27, 1976 with less than ten years of credited service, who contribute 3% of their salary, or joined the Systems on or after January 1, 2010, who contribute 3% of their salary to NYSERS or 3.5% of their salary to NYSTRS throughout active membership. For the NYSERS, the Comptroller shall certify annually the rates expressed as proportions of members' payroll annually, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, rates are established annually for NYSTRS by the New York State Teachers' Retirement Board.

The District is required to contribute at an actuarially determined rate. The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

<u>YEAR</u>		<u>NYSTRS</u>		<u>NYSERS</u>
2015	\$	3,658,839	\$	1,137,445
2014	\$	2,620,430	\$	943,217
2013	\$	2,257,144	\$	888,272

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The District did not exercise that option.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12. POST-EMPLOYMENT BENEFITS

A. Plan Description

The District provides medical and Medicare part B reimbursement, coverage (the healthcare plan) to retired employees in accordance with employment contracts. The plan is a single-employer defined benefit healthcare plan primarily administered through the New York State Health Insurance Program - Empire Plan. The District implemented GASB 45 prospectively in this transition year of implementation.

B. Funding Policy

The District assumes its share of the cost of the premiums and recognizes the cost of the healthcare plan annually as expenditures in the general fund of the fund financial statements as payments are made. For the year ended June 30, 2014, the District recognized a general fund expenditure of \$494,496 for insurance premiums for currently enrolled retirees. Currently, there is no provision in the law to permit the District to fund other postemployment benefits by any means other than the "pay as you go" method.

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution (ARC)	\$ 1,537,055
Interest on Net OPEB obligation	-
Adjustment to ARC	<u>(959,089)</u>
Annual OPEB Cost (Expense)	577,966
Contribution made	<u>494,496</u>
Increase in Net OPEB obligation	107,768
Net OPEB obligation at beginning of year	<u>5,388,424</u>
Net OPEB obligation at end of year	<u><u>\$ 5,496,192</u></u>

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12. POST-EMPLOYMENT BENEFITS - (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2014 are as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 5,715,349	27.0%	\$ 5,282,768
June 30, 2013	\$ 4,446,262	27.0%	\$ 3,252,621
June 30, 2012	\$ 4,126,500	28.00%	\$ 2,945,015

D. Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the District contributed \$600,000 to the plan. The actuarial accrued liability for benefits was \$48,408,404 and the actuarial value of assets was \$600,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$48,408,404. The covered payroll (annual payroll of active employees covered by the plan) was \$26,468,740, and the ratio of the UAAL to the covered payroll was 130.0%.

Actuarial valuations of an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedule of funding progress following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan, (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12. POST-EMPLOYMENT BENEFITS - (Continued)

In the July 1, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% discount rate and an annual medical inflation rate of 8% initially, reduced by decrements of 1% to an ultimate rate of 5% after 15 years. The remaining amortization period at June 30, 2009 was 30 years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2014, was 29 years.

NOTE 13. RISK MANAGEMENT

A. General Information

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

The District has chosen to establish a self funded health benefit and workmen's compensation program for its employees. The plan is administered by two benefit program administrators, who are responsible for approval, processing and the payments of claims, after which they bill the district for reimbursement. The district is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30, 2014. The program is accounted for in the general fund.

NOTE 14. COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

C. Operating Leases

The District leases various equipment under non-cancelable operating leases. The minimum remaining operating lease payments are as follows:

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14. COMMITMENTS AND CONTINGENCIES – (Continued)

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payment</u>
2015	\$ 259,799	\$ 192,888	\$ 452,687
2016	274,634	178,054	452,688
2017	290,315	162,372	452,687
2018	306,892	145,795	452,687
2019	324,416	128,272	452,688
Thereafter	<u>1,922,022</u>	<u>199,913</u>	<u>2,121,935</u>
	<u>\$ 3,378,078</u>	<u>\$ 1,007,294</u>	<u>\$ 4,385,372</u>

NOTE 15. SUBSEQUENT EVENTS

Subsequent to June 30, 2014, the District floated a \$10,000,000.00 Tax Anticipation Note.

The date to which events occurring after June 30, 2014, the date of the most recent statement of financial position, have been evaluated for possible adjustment to financial statements or disclosures is November 6, 2014, which is the date the financial statements were made available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance With Budgetary Actual</u>
<u>REVENUES</u>				
Local Sources:				
Real property taxes	\$ 18,503,269	\$ 18,503,269	\$ 18,703,664	\$ 200,395
Other real property tax items	3,287,264	3,287,264	3,063,396	(223,868)
Charges for Services	350,000	350,000	46,416	(303,584)
Use of money and property	35,000	35,000	45,642	10,642
Sale of property and compensation for loss	250,000	250,000	244,167	(5,833)
Interfund revenues	115,000	115,000	92,097	(22,903)
Miscellaneous	450,000	450,000	390,221	(59,779)
Total Local Sources	22,990,533	22,990,533	22,585,603	(404,930)
State Sources:				
Basic formula	22,444,860	22,444,860	22,187,586	(257,274)
Excess cost aid	6,312,617	6,312,617	6,321,655	9,038
Lottery grant	3,366,729	3,366,729	4,079,999	713,270
BOCES aid	2,190,887	2,190,887	1,472,744	(718,143)
Textbook aid	145,000	145,000	134,208	(10,792)
Computer software aid	75,000	75,000	54,433	(20,567)
Library A/V loan program aid	10,000	10,000	8,744	(1,256)
Other state aid	150,000	150,000	107,071	(42,929)
Total State Sources	34,695,093	34,695,093	34,366,440	(328,653)
Federal Sources	<u>1,344,690</u>	<u>1,344,690</u>	<u>1,051,252</u>	<u>(293,438)</u>
Total Revenues	59,030,316	59,030,316	58,003,295	(1,027,021)
Other Sources:				
Operating transfers in	-	-	-	-
Total Revenue and Other Sources	<u>\$ 59,030,316</u>	<u>\$ 59,030,316</u>	<u>\$ 58,003,295</u>	<u>\$ (1,027,021)</u>

See paragraph on required supplementary information included in auditor's report.

WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year End Encum- brances</u>	<u>Final Budget Variance with Actual And Encumbrances</u>
<u>EXPENDITURES</u>					
General support:					
Board of Education	\$ 94,500	\$ 196,340	\$ 174,372	\$ -	\$ 21,968
Central Administration	366,807	378,473	473,953	-	(95,480)
Finance	867,340	870,494	764,175	-	106,319
Staff	772,523	900,784	830,012	7,370	63,402
Central services	4,624,421	4,077,630	4,004,485	25,504	47,641
Special items	749,437	643,981	590,882	-	53,099
Total general support	<u>7,475,028</u>	<u>7,067,702</u>	<u>6,837,879</u>	<u>32,874</u>	<u>196,949</u>
Instruction:					
Instruction, administration, and improvement	3,125,319	3,166,430	3,413,737	-	(247,307)
Teaching - regular school	12,098,525	11,984,800	11,653,010	5,014	326,776
Program for children with handicapping conditions	10,473,295	10,479,271	10,709,072	-	(229,801)
Occupational education	919,255	918,955	1,174,904	-	(255,949)
Teaching - special schools	216,465	216,465	221,589	-	(5,124)
Instructional media	1,510,197	1,519,417	1,563,529	-	(44,112)
Pupil services	1,910,607	1,936,948	1,905,590	-	31,358
Total Instruction	<u>30,253,663</u>	<u>30,222,286</u>	<u>30,641,431</u>	<u>5,014</u>	<u>(424,159)</u>
Pupil transportation	2,990,905	3,533,888	3,482,716	-	51,172
Community service	6,300	56,850	95,716	-	(38,866)
Employee benefits	16,219,023	15,798,776	17,284,006	-	(1,485,230)
Debt service principle	1,200,766	1,200,766	1,200,766	-	-
Debt service interest	1,859,631	1,581,925	1,580,084	-	1,841
Total expenditures	<u>60,005,316</u>	<u>59,462,193</u>	<u>61,122,598</u>	<u>37,888</u>	<u>(1,698,293)</u>
Other uses					
Operating transfers out	<u>275,000</u>	<u>275,000</u>	<u>144,000</u>	<u>-</u>	<u>131,000</u>
Total expenditures and other uses	<u>\$ 60,280,316</u>	<u>\$ 59,737,193</u>	<u>61,266,598</u>	<u>37,888</u>	<u>(1,567,293)</u>
Net change in fund balances			(3,263,304)		
Fund balances at beginning of year			4,658,766		
Prior period adjustment			613,980		
Fund balances at end of year			<u>\$ 2,009,442</u>		

See paragraph on required supplementary information included in auditor's report.

WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT
BENEFITS (OPEB)
For the year ended June 30, 2014

Valuation <u>Date</u>	Value of <u>Assets</u>	Accrued <u>Liability</u>	Unfunded <u>Liability</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	Unfunded Liability as a Percentage of Covered <u>Payroll</u>
July 1, 2013	-	\$ 48,408,404	\$ 48,408,404	0%	\$ 26,468,740	130.0%
July 1, 2012	-	\$ 48,408,404	\$ 48,408,404	0%	\$ 26,468,740	130.0%
July 1, 2011	-	\$ 39,191,397	\$ 39,191,397	0%	\$ 28,888,100	130.0%

See paragraph on required supplementary information included in auditor's report.

OTHER SUPPLEMENTARY INFORMATION

WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
For the year ended June 30, 2014

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 60,280,316
Additions:	
Prior year's encumbrances	<u>1,748</u>
Original Budget	60,282,064
Budget revisions	<u>-</u>
Final Budget	<u><u>\$ 60,282,064</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2014 - 2015 voter-approved expenditure budget	<u><u>\$ 60,925,000</u></u>
Maximum allowed (4% of 2014 - 2015 budget)	<u><u>\$ 2,437,000</u></u>
General Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,250,000
Unassigned Fund Balance	<u>421,580</u>
	\$ 1,671,580
Less:	
Appropriated Fund Balance	-
Encumbrances	<u>\$ 37,888</u>
	<u>37,888</u>
General Fund Balance Subject to § 1318 of Real Property Tax law:	<u><u>\$ 1,633,692</u></u>
Annual Percentage	2.68%

See paragraph on required supplementary information included in auditor's report.

WYANDANCH
UNION FREE SCHOOL DISTRICT
SCHEDULE PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the year ended June 30, 2014

Project Title	Expenditures to Date				Methods of Financing				Fund Balance June 30, 2014	
	Original Appropriation	Revised Appropriation	Prior Year's	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid		Local Sources
LFH/MLK/Central Admin.										
QZAB - MLK project A	\$ 1,657,160	\$ 1,087,982	\$ 1,029,304	\$ 32,268	\$ 1,061,572	\$ 26,410	\$ 1,061,572	\$ -	\$ -	\$ 1,061,572
QZAB - MLK project B	120,000	1,101,733	151,389	964,187	1,115,576	(13,843)	1,115,576	-	-	1,115,576
QZAB - MLK project C	339,600	1,737,244	92,142	1,388,906	1,481,048	256,196	1,481,048	-	-	1,481,048
QZAB - MLK project D	45,210	47,210	-	3,859	3,859	43,351	3,859	-	-	3,859
QZAB - High School project A	1,127,925	640,980	590,725	55,170	645,895	(4,915)	645,895	-	-	645,895
QZAB - High School project B	250,000	4,914,071	438,418	3,889,627	4,328,045	586,026	4,328,045	-	-	4,328,045
QZAB - High School project C	92,500	2,005,950	96,950	1,649,904	1,746,854	259,096	1,746,854	-	-	1,746,854
QZAB - High School project D	1,637,440	1,637,440	-	84,901	84,901	1,552,539	84,901	-	-	84,901
QZAB - MLO project A	799,475	411,355	354,670	44,268	398,938	12,417	398,938	-	-	398,938
QZAB - MLO project B	130,000	2,168,476	189,228	1,473,611	1,662,839	505,637	1,662,839	-	-	1,662,839
QZAB - MLO project C	92,500	1,412,800	84,065	1,057,128	1,141,193	271,607	1,141,193	-	-	1,141,193
QZAB - MLO project D	307,350	307,350	-	15,944	15,944	291,406	15,944	-	-	15,944
QZAB - Bus Garage A	133,435	155,965	150,543	10,977	161,520	(5,555)	161,520	-	-	161,520
QZAB - Bus Garage B 007008	-	296,447	12,797	262,257	275,054	21,393	275,054	-	-	275,054
QZAB - Bus Garage C 007009	17,150	104,000	13,026	35,647	48,673	84,320	48,673	-	-	48,673
QZAB - project D	1,390,000	1,390,000	-	52,918	52,918	105,835	52,918	-	-	52,918
QZAB - project D	-	-	-	-	-	-	5,125,172	-	-	5,125,172
	\$ 1,390,000	\$ -	\$ 52,918	\$ 52,918	\$ 105,835	\$ 3,991,920	\$ 19,350,001	\$ -	\$ -	\$ 19,350,001
										\$ (5,125,172)

See paragraph on required supplementary information included in auditor's report.

WYANDANCH UNION FREE SCHOOL DISTRICT
INVESTMENT IN CAPITAL ASSETS - NET OF RELATED DEBT
June 30, 2014

Capital Assets, Net		\$ 35,608,301
Add:		
Unspent bond proceeds		5,125,174
Deduct:		
Long-term installment purchase debt	3,118,279	
Short-term installment purchase debt	259,799	
Short-term portion of bond payable	2,090,000	
Long-term portion of bonds payable	<u>21,435,000</u>	
		<u>26,903,078</u>
Investment in capital assets, net of related debt		\$ <u><u>13,830,397</u></u>

See paragraph on required supplementary information included in auditor's report.

FEDERAL GRANT COMPLIANCE AUDIT

**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"**

The Board of Directors
Wyandanch Union Free School District
Wyandanch, New York

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 Wyandanch Union Free School District, ("the District") which comprise the statement of financial position as of June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wyandanch Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wyandanch Union Free School 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wyandanch Union Free School 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 determination of financial statement amounts. 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*.

We noted certain matters that we have reported to management of Wyandanch Union Free School District in a separate letter dated November 6, 2014.

Purpose of this Report

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

A handwritten signature in dark ink, appearing to read "Deans Archer & Co.", is written over the printed name.

Valley Stream, New York
November 6, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Wyandanch Union Free School District
Wyandanch, New York

Report on Compliance for Each Major Federal Program

We have audited Wyandanch Union Free School District's ("the District"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wyandanch Union Free School District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Wyandanch Union Free School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wyandanch Union Free School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wyandanch Union Free School District's compliance.

Opinion on Each Major Federal program

In our opinion, Wyandanch Union Free School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Wyandanch Union Free School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Wyandanch Union Free School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wyandanch Union Free School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Valley Stream, New York

November 6, 2014

WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
For the year ended June 30, 2014

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Agency Pass-through Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<u>Passed directly</u>			
<u>Passed- through NYS Education Department</u>			
Title 1 Grants to Local Educational Agencies	84.010A	0021-13-2955	\$ 457,932
Title 1 Grant School Improvement	84.010A	0011-13-2138	54,699
Title 2A Early Class	84.367A	0147-13-2955	<u>147,296</u>
			<u>659,927</u>
Special Education Cluster			
Special Education Grants to States - IDEA 611	84.027A	0032-13-0877	579,618
Special Education Grants to States - IDEA 619	84.173A	0033-13-0877	<u>17,762</u>
			<u>597,380</u>
Title IIIA - LEP	84.365A	0293-13-2955	47,306
21st Century Grant	84.287C	0187-14-6122	327,574
Homeless Grant	84.196A	0293-13-2955	17,166
Educational Counseling	84.215E	N/A	64,128
ARRA - Race To The Top, Model Induction	84.395A	5530-13-0002	89,758
ARRA - Race To The Top, Systemic Supports	84.395A	5440-13-2003	130,759
ARRA - Race To The Top, Strengthening	84.395A	5545-13-0049	<u>91,495</u>
			<u>768,186</u>
Total US Department of Education			\$ 2,025,493
SAMSHA/Drug Free Communities Support Program	93.276	N/A	36,482
<u>USDA Department of Agriculture</u>			
National School Lunch Program	10.555	N/A	1,028,179
USDA Food Donation Program	10.555	N/A	<u>68,436</u>
Total US Department of Agriculture			<u>1,096,615</u>
Total Federal Awards Expended			\$ <u>3,158,590</u>

See paragraph on required supplementary information included in auditor's report.

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the Wyandanch Union Free School District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. Certain of the District's federal award programs may have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs, (the District's share of certain program costs) are not included in the reported expenditures.

The amounts reported as federal expenditures generally were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2. SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

**WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

A. SUMMARY OF AUDITOR'S RESULT

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weakness (es) identified?

_____ Yes x No

Significant deficiency identified not considered
to be material weakness(es)

_____ Yes x None reported

Noncompliance material to financial statements
noted?

_____ Yes x No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes x No

Significant deficiency identified not considered
to be material weakness(es)

_____ Yes x None reported

Type of auditors' report issued on compliance
for major programs

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Circular A-133
Section 510(a).

_____ Yes x No

Identification of Major Programs

CFDA Number(s)

Name of Federal Program or Cluster

84.027A

IDEA - 611

84.173A

IDEA - 619

84.010A

Title I Grants

**WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

A. SUMMARY OF AUDITOR'S RESULT - (Continued)

Identification of Major Programs

CFDA Number(s)

Name of Federal Program or Cluster

10.555

National School Lunch Program

84.287C

21st Century Grant

84.395A

AARA Race to Top

Dollar threshold used to distinguish between
Types A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee

 x Yes No

**WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT YEAR FINDINGS

A. FINANCIAL STATEMENT FINDINGS

None reported

B. FEDERAL AWARDS FINDINGS

None reported

**WYANDANCH UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

PRIOR YEAR FINDING

None reported