

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

WYANDANCH UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Wyandanch Union Free School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Emphasis of Matter

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 1 through 15 and 59 through 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 15, 2021

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The District’s total net deficit, as reflected in the District-Wide Financial Statements, decreased by \$1,826,483. This was due to revenues exceeding expenses based on the accrual basis of accounting.
- The District’s expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$74,751,291. Of this amount, \$5,360,420 was offset by charges for services and operating grants and contributions. General revenues of \$71,217,354 amounted to 93.00% of total revenues.
- The District implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position in the amount of \$70,041.
- The general fund’s total fund balance, as reflected in the fund financial statements, increased by \$9,510,595. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- Federal and state sources recorded in the District-Wide Financial Statements decreased by \$2,788,165 to \$45,297,538 from \$48,085,703.
- The general fund budget for the 2021-22 school year is \$79,906,909. This is an increase of \$8,183,883 or 11.41% from the previous year’s budget.
- During the year, the District accounted for \$726,220 in federal grants in relation to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These funds were recorded in operating grants and contributions in the Statement of Activities on the District-Wide financial statements.
- The District was awarded funding in July 2021 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) in the amounts of \$2,565,147 for the Elementary and Secondary School Emergency Relief Program (ESSER) and \$13,367 for the Governor’s Emergency Education Relief Program (GEER).

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

- The District issued \$2,535,000 in deficit bonds dated July 30, 2020, maturing on July 15, 2030. The deficit bonds have a stated interest rate of 5% resulting in interest expense of \$756,969 over the life of the bonds. It includes a total premium of \$624,503 which results in a net interest cost of \$132,466 and a net interest rate of .87%.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information.

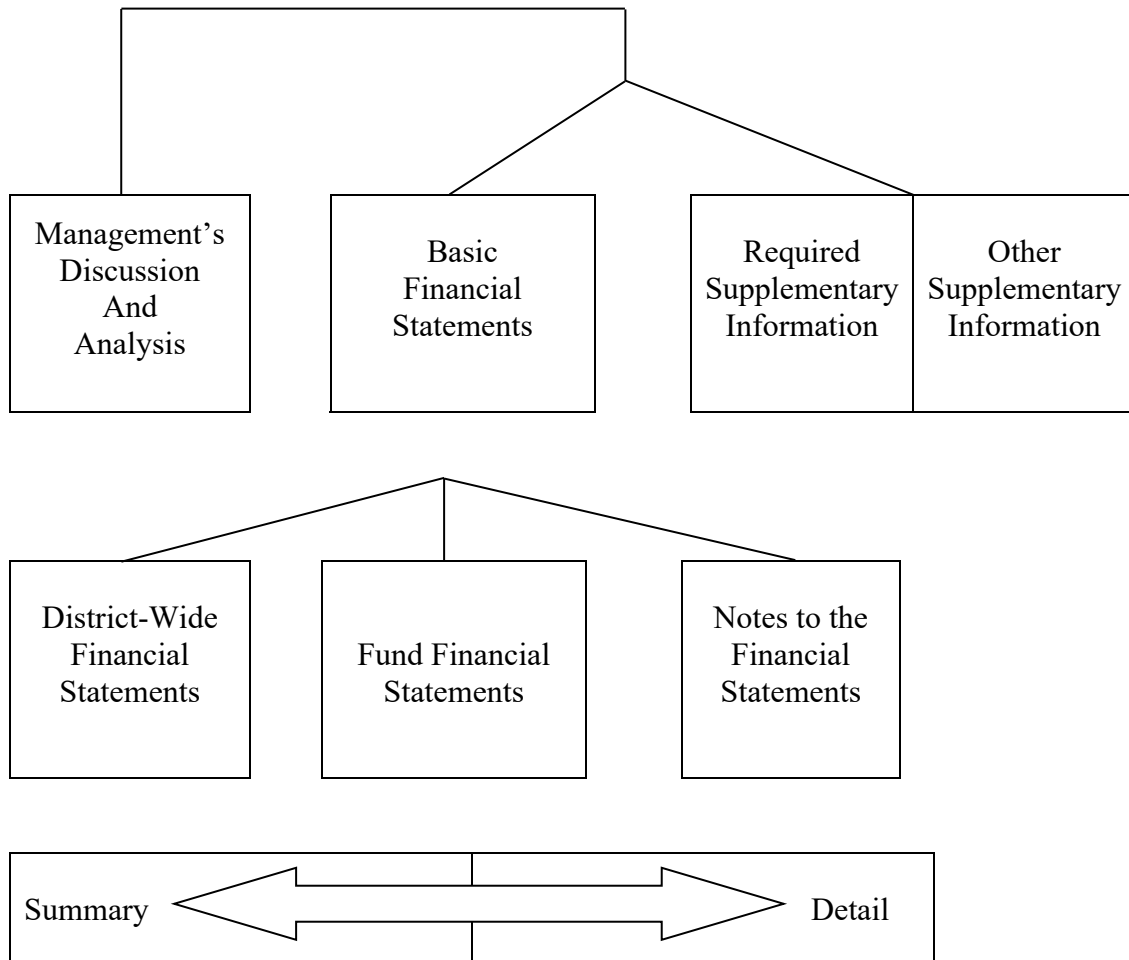
The basic financial statements include two kinds of statements that present different views of the District:

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

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

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Organization of the District’s Annual Financial Report



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

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements
		Governmental
Scope	Entire entity	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflows of resources/ liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

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

A) District-Wide Statements

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

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

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

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

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

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

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

B) Fund Financial Statements

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

The District has one kind of fund:

Governmental funds

Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in separate reconciliation schedules explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position

The June 30, 2020 current and other assets, current and other liabilities, restricted net position, unrestricted net position, and total net position (deficit) were restated as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency fund and now records those activities in the general fund and miscellaneous special revenue fund. See Note 18 for further information. The following is a summary of these changes:

	As Restated 2020	As Reported 2020	Increase
Current assets and other assets	\$ 16,077,376	\$ 15,936,618	\$ 140,758
Current and other liabilities	7,452,666	7,381,949	70,717
Net Position			
Restricted	1,040,888	1,034,032	6,856
Unrestricted (Deficit)	(116,001,135)	(116,064,320)	63,185
Total Net Position (Deficit)	(92,629,958)	(92,699,999)	70,041

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

The District's total net deficit decreased by \$1,826,483 in the fiscal year ended June 30, 2021 as detailed in the table.

Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
Current assets and other assets	\$ 25,876,450	\$ 16,077,376	\$ 9,799,074	60.95%
Capital assets, net	35,641,648	36,584,371	(942,723)	(2.58%)
Net pension asset - proportionate share - teachers' retirement system	-	4,328,628	(4,328,628)	(100.00%)
Total assets	61,518,098	56,990,375	4,527,723	7.94%
Deferred outflows of resources	18,763,462	17,475,979	1,287,483	7.37%
Total assets and deferred outflows of resources	80,281,560	74,466,354	5,815,206	7.81%
Current and other liabilities	7,672,936	7,452,666	220,270	2.96%
Long-term liabilities	140,024,861	135,180,977	4,843,884	3.58%
Total liabilities	147,697,797	142,633,643	5,064,154	3.55%
Deferred inflows of resources	23,387,238	24,462,669	(1,075,431)	(4.40%)
Total liabilities and deferred inflows of resources	171,085,035	167,096,312	3,988,723	2.39%
Net position				
Net investment in capital assets	23,310,088	22,330,289	979,799	4.39%
Restricted	10,184,015	1,040,888	9,143,127	878.40%
Unrestricted (deficit)	(124,297,578)	(116,001,135)	(8,296,443)	(7.15%)
Total net position (deficit)	\$ (90,803,475)	\$ (92,629,958)	\$ 1,826,483	(1.97%)

Current assets and other assets increased by \$9,799,074 from the prior year due primarily to an increase in cash, due from state and federal aid, offset by a decrease in due from other governments and accounts receivable.

Capital assets (net of depreciation) decreased by \$942,723. This is primarily due to current depreciation expense in excess of capital asset additions.

Net pension asset – proportionate share provided by the teachers' retirement system decreased by \$4,328,628 as compared to last year, this was a result of the actuarial valuation provided by the State resulting in a net pension liability of \$3,741,211 at June 30, 2021.

Deferred outflows of resources increased by \$1,287,483. The changes in deferred outflows represent amortization of pension related items as discussed in Note 13 and the District's

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

contribution subsequent to the measurement date, as well as deferred outflows related to total other post-employment benefits obligation, as discussed in Note 15.

Current and other liabilities increased by \$220,270. This is primarily attributable to increases in accounts payable, accrued liabilities, accrued interest payable, due to teachers' retirement system, and compensated absences payable, offset by decreases in due to other governments and collections in advance.

Long-term liabilities increased by \$4,843,884, which was primarily attributable to increases in bonds payable, compensated absences payable, total other post-employment benefit obligations, and net pension liability – proportionate share – teachers' retirement system (TRS), offset by a decrease in energy performance contract debt payable, termination benefits payable, claims payable, and net pension liability – proportionate share – employees' retirement system (ERS).

Deferred inflows of resources decreased by \$1,075,431. The change in deferred inflows of resources represents amortization of pension related items as discussed in Note 13 and deferred inflows of total other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture and equipment, net of depreciation and related debt. This number increased from the prior year by \$979,799 primarily due to the reduction in the principal balance of related debt as well as current year additions, partially offset by current year depreciation expense.

The restricted net position at June 30, 2021, relates to the District's reserve funds established for a specific purpose and amounts restricted for scholarships and athletic programs. Restricted net position increased by \$9,143,127 primarily due to the District establishing an unemployment reserve, a retirement contribution – ERS reserve, a retirement contribution – TRS reserve, an insurance reserve, and an employee benefit accrued liability reserve, as well as a funding increase in workers' compensation reserve offset by a decrease in restricted for scholarships and athletic programs.

The unrestricted net deficit at June 30, 2021 of \$124,297,578 relates to the balance of the District's net position. The unrestricted net deficit increased by \$8,296,443. Overall, the net deficit decreased by \$1,826,483.

B) Changes in Net Position

The June 30, 2020 balances for revenues for charges for services and operating grants and contributions, and expenses for instruction were restated as a result of the implementation of GASB Statement No. 84. See Note 18 "Restatement of Fund Balances/Net Position" for further information. The following schedule outlines these changes:

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

	As Restated 2020	As Reported 2020	Increase
Revenues			
Charges for services	\$ 178,300	\$ 84,848	\$ 93,452
Expenses			
Instruction	58,576,981	58,520,574	56,407

Change in Net Position from Operating Results Governmental Activities Only

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
Revenues				
Program revenues				
Charges for services	\$ (5,466)	\$ 178,300	\$ (183,766)	(103.07%)
Operating grants and contributions	5,365,886	5,709,606	(343,720)	(6.02%)
General revenues				
Real property taxes and other tax items	24,445,930	23,329,713	1,116,217	4.78%
Use of money and property	4,835	85,082	(80,247)	(94.32%)
Other	1,469,051	479,814	989,237	206.17%
State sources	44,432,986	47,440,578	(3,007,592)	(6.34%)
Federal sources	864,552	645,125	219,427	34.01%
Total revenues	<u>76,577,774</u>	<u>77,868,218</u>	<u>(1,290,444)</u>	(1.66%)
Expenses				
General support	16,158,815	10,581,278	5,577,537	52.71%
Instruction	50,646,698	58,576,981	(7,930,283)	(13.54%)
Pupil transportation	5,305,309	4,467,902	837,407	18.74%
Community services	6,960	6,091	869	14.26%
Debt service - interest	756,655	871,079	(114,424)	(13.14%)
Food service program	1,876,854	2,169,344	(292,490)	(13.48%)
Total expenses	<u>74,751,291</u>	<u>76,672,675</u>	<u>(1,921,384)</u>	(2.51%)
Total change in net position	<u>\$ 1,826,483</u>	<u>\$ 1,195,543</u>	<u>\$ 630,940</u>	52.77%

The District's fiscal year 2021 revenues totaled \$76,577,774. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 31.92% and 58.02%, respectively of total revenue. The remainder came from operating grants and contributions, federal sources, and other miscellaneous sources.

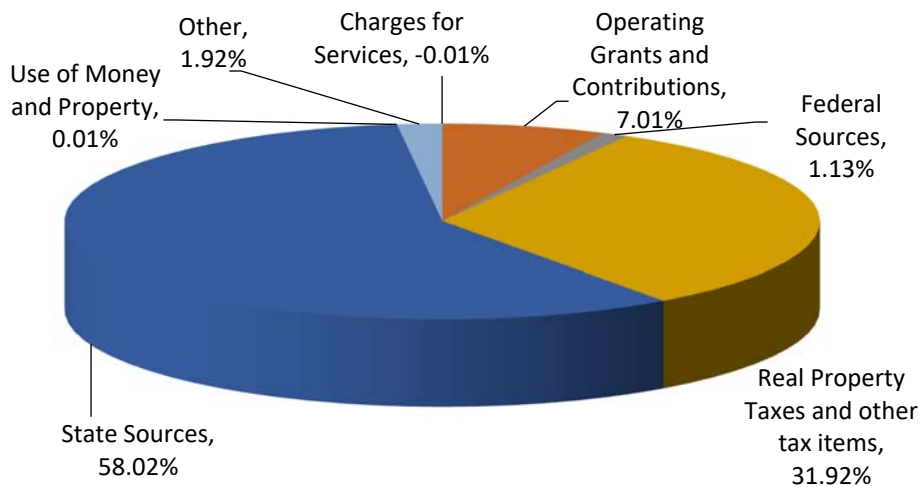
The District's revenues decreased by \$1,290,444 or 1.66%. Charges for services decreased by \$183,766, operating grants and contributions decreased by \$343,720, and state sources decreased by \$3,007,592 due to a decrease in general aid, excess cost aid, and BOCES aid. Real property taxes and other tax items increased by \$1,116,217, federal sources increased by \$219,427 and other miscellaneous revenue increased by \$989,237.

**WYANDANCH UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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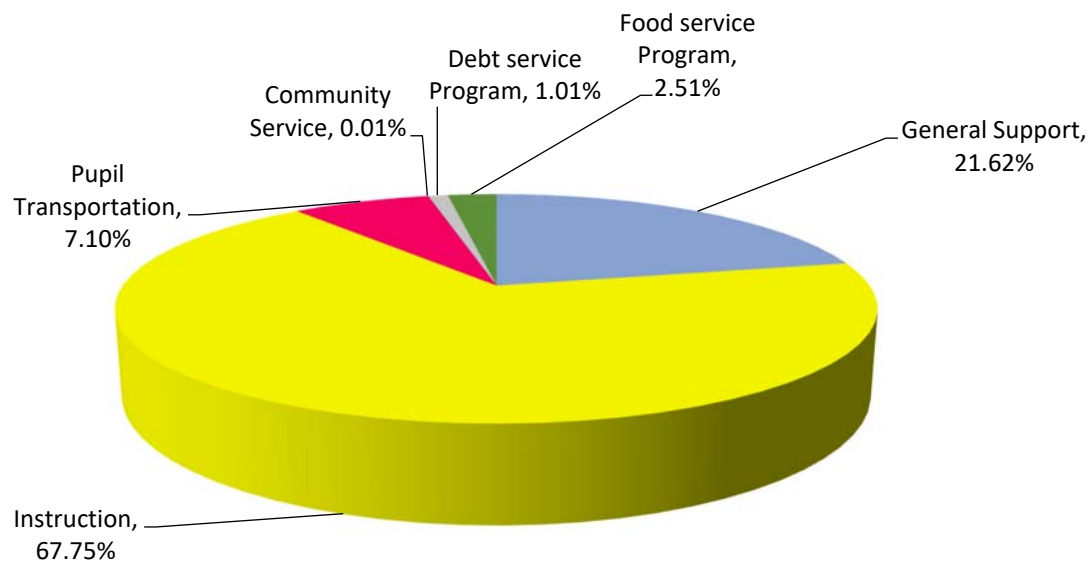
The total cost of all programs and services totaled \$74,751,291 for fiscal year 2021. These expenses are predominantly related to general instruction, which account for 67.75% of district expenses. The District's general support activities accounted for 21.62% of total costs.

The District's expenses for the year decreased \$1,921,384 or 2.51%, which is primarily attributable to decreases in instruction, debt service – interest, and the food service program, offset by increases to general support and pupil transportation.

Revenues for Fiscal Year 2021



Expenses for Fiscal Year 2021



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

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$16,333,034 which is an increase of \$9,256,330 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Note 18 for further information. A summary of the change in fund balance by fund is as follows:

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for workers' compensation	\$ 3,000,000	\$ 952,898	\$ 2,047,102	214.83%
Restricted for unemployment insurance	1,400,000	-	1,400,000	N/A
Retirement contribution - ERS	1,000,000	-	1,000,000	N/A
Retirement contribution - TRS	444,974	-	444,974	N/A
Restricted for insurance	1,200,000	-	1,200,000	N/A
Restricted for employee benefit accrued liability	3,100,000	-	3,100,000	N/A
Assigned-general support	149,771	68,399	81,372	118.97%
Assigned-instruction	36,733	44,622	(7,889)	(17.68%)
Unassigned	5,448,760	5,203,724	245,036	4.71%
Total general fund	15,780,238	6,269,643	9,510,595	151.69%
School Lunch Fund				
Nonspendable - inventory	8,449	24,380	(15,931)	(65.34%)
Assigned unappropriated	537,133	631,506	(94,373)	(14.94%)
Total school lunch fund	545,582	655,886	(110,304)	(16.82%)
Miscellaneous Special Revenue Fund				
Restricted for scholarships	6,856	6,856	-	0.00%
Restricted for athletic programs	32,185	63,185	(31,000)	(49.06%)
Assigned	71,387	81,134	(9,747)	(12.01%)
Total miscellaneous special revenue fund	110,428	151,175	(40,747)	(26.95%)
Capital Projects Fund				
Unassigned (deficit)	(103,214)	-	(103,214)	N/A
Total capital projects fund	(103,214)	-	(103,214)	N/A
Total Fund Balance - All funds	\$ 16,333,034	\$ 7,076,704	\$ 9,256,330	130.80%

A) General Fund

The fund balance in the general fund increased by \$9,510,595. This is due to revenues and other financing sources exceeding expenditures and other financing uses on the modified accrual basis on accounting. Revenues and other financing sources increased \$3,315,567 or 4.67% compared to the prior year, mostly due to proceeds from deficit financing and associated premium, as well as the premium on the tax anticipation note (TAN). Expenditures and other financing uses increased by \$1,890,561 or 3.00% compared to the prior year primarily due to increases in general support,

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

instruction, pupil transportation, and debt service – principal, offset by decreases in employee benefits and debt service – interest.

B) School Lunch Fund

The fund balance in the school lunch fund decreased by \$110,304 due to an operating deficit in the food service program for the current year.

C) Miscellaneous Special Revenue Fund

The fund balance in the miscellaneous special revenue fund decreased by \$40,747. This decrease is due to current year expenditures exceeding revenues for athletic programs, and extraclassroom activities.

D) Capital Projects Fund

The fund balance in the capital projects fund decreased by \$103,214. The deficit in the capital projects fund is the result of the District waiting to obtain the Dormitory Authority for State of New York (DASNY) capital grant funding on capital improvement projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Budget

The District's general fund final budget for the year ended June 30, 2021 was \$71,723,026. This amount was increased by encumbrances carried forward from the prior year in the amount of \$113,021, which resulted in a final budget of \$71,836,047. The majority of the funding was from real property taxes and other tax items in the amount of \$24,109,265, and state sources in the amount of \$46,623,761.

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

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

Opening, unassigned fund balance	\$ 5,203,724
Revenues and other financing sources over budget	2,610,394
Expenditures and other financing uses and encumbrances under budget	6,826,718
Interest allocated to reserves	(476)
Funding to reserves	(9,191,600)
Closing, Unassigned Fund Balance	<u><u>\$ 5,448,760</u></u>

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

Opening, Unassigned Fund Balance

The opening, unassigned fund balance represents the fund balance retained by the District as of June 30, 2020 that was not restricted or assigned for subsequent year's taxes.

Revenues and Other Financing Sources Over Budget

The total revenues and other financing sources over budget in the amount of \$2,610,394 were primarily due to a positive variance in real property taxes and other real property tax items, federal sources, and other financing sources, partially offset by revenues under budget in STAR reimbursement, charges for services and state sources.

Expenditures and Other Financing Sources and Encumbrances Under Budget

The expenditures and other financing uses and encumbrances under budget in the amount of \$6,826,718 were primarily attributable to expenditures under budget as a whole.

Interest Allocation to Reserves

Revenues such as interest earned in the general fund are allocated to the reserves and, therefore, decrease the unassigned portion of the fund balance in the general fund. The interest allocated to workers' compensation reserves was \$476.

Transfer to Reserves

The District funded the workers' compensation reserve in the amount of \$2,046,626, and established the following new reserves: unemployment insurance reserve in the amount of \$1,400,000, the retirement contribution reserve – TRS for \$444,974, the retirement contribution reserve - ERS for \$1,000,000, the insurance reserve in the amount of \$1,200,000, and the employee benefit accrued liability reserve in the amount of \$3,100,000 from the unassigned fund balance.

Closing, Unassigned Fund Balance

The closing, unassigned fund balance was \$5,488,760 as of June 30, 2021. NYS Real Property Tax Law § 1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is 6.82% of the 2021-2022 budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets

The District paid for construction in progress and furniture and equipment during the fiscal year 2021. See Note 8 to the financial statements for more information. A summary of the District's capital assets net of depreciation is as follows:

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

Category	Fiscal Year 2021	Fiscal Year 2020	Increase / (Decrease)	Percentage Change
Land & land improvements	\$ 13,511,418	\$ 13,511,418	\$ -	0.00%
Construction in progress	103,214	-	103,214	N/A
Buildings and improvements	39,515,187	39,515,187	-	0.00%
Furniture and equipment	3,501,305	3,365,906	135,399	4.02%
Vehicles	2,362,271	2,362,271	-	0.00%
Subtotal	58,993,395	58,754,782	238,613	0.41%
Less: accumulated depreciation	23,351,747	22,170,411	1,181,336	5.33%
Total net capital assets	<u>\$ 35,641,648</u>	<u>\$ 36,584,371</u>	<u>\$ (942,723)</u>	(2.58%)

The District spent \$135,399 in the general fund on furniture and equipment, and \$103,214 in the capital projects fund on construction in progress for the fiscal year ended June 30, 2021. The District also had \$1,181,336 in depreciation expense. See Note 8 to the financial statements for detail.

B) Long-Term Debt

At June 30, 2021, the District had total bonds payable of \$13,650,000. The increase in outstanding debt is due to the issuance of \$2,535,000 in deficit bonds, offset by current year principal payments. A summary of the outstanding bonds at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Serial Bond 2011	\$ 230,000	\$ 450,000	\$ (220,000)
Serial Bond 2012	2,135,000	2,395,000	(260,000)
Serial Bond 2012	8,750,000	9,830,000	(1,080,000)
Deficit Bond	2,535,000	-	2,535,000
Total	<u>\$ 13,650,000</u>	<u>\$ 12,675,000</u>	<u>\$ 975,000</u>

At June 30, 2021, the District had total energy performance contract debt payable of \$1,216,560. A summary of outstanding energy performance contract debt payable at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Energy performance contract debt payable	<u>\$ 1,216,560</u>	<u>\$ 1,579,082</u>	<u>\$ (362,522)</u>

See Note 12 for further detail on long-term debt disclosures.

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

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A) The general fund budget for the 2021-22 school year was approved by the voters in the amount of \$79,906,909. This is an increase of \$8,183,883 or 11.41% from the previous year's budget. the District's future budgets.
- B) On September 21, 2021, the District issued tax anticipation notes (TANs) for \$12,000,000, maturing on June 24, 2022. The TAN has a stated interest rate of 1.25%.
- C) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.
- D) The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Wyandanch Union Free School District
Mr. Richard Snyder
School Business Official
1445 Straight Path Road
Wyandanch, New York 11798-8800
(631) 870-0405

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

ASSETS

Current Assets	
Cash and cash equivalents	
Unrestricted	\$ 4,428,590
Restricted	10,195,705
Receivables	
State and federal aid	8,445,087
Due from other governments	2,781,101
Accounts receivable	17,518
Inventories	8,449
Non Current Assets	
Capital assets	
Not being depreciated	12,785,131
Being depreciated, net of accumulated depreciation	22,856,517
TOTAL ASSETS	61,518,098

DEFERRED OUTFLOWS OF RESOURCES

Pensions	17,926,553
Total other post-employment benefits obligation	836,909
TOTAL DEFERRED OUTFLOWS OF RESOURCES	18,763,462

LIABILITIES

Payables	
Accounts payable	3,033,101
Accrued liabilities	485,586
Accrued interest payable	233,031
Due to other governments	330,695
Due to teachers' retirement system	2,341,735
Due to employees' retirement system	183,983
Compensated absences payable	98,138
Unearned credits	
Collections in advance	966,667
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of bond premium)	1,832,450
Energy performance contract debt payable	383,222
Compensated absences payable	500,000
Due and payable after one year	
Bonds payable (inclusive of bond premium)	12,384,807
Energy performance contract debt payable	833,338
Compensated absences payable	4,557,740
Claims payable	5,175,430
Total other post-employment benefits obligation	110,599,591
Net pension liability - proportionate share - teachers' retirement system (TRS)	3,741,211
Net pension liability - proportionate share - employees' retirement system (ERS)	17,072
TOTAL LIABILITIES	147,697,797

DEFERRED INFLOWS OF RESOURCES

Pensions	8,757,203
Total other post-employment benefits obligation	14,630,035
TOTAL DEFERRED INFLOWS OF RESOURCES	23,387,238

NET POSITION (DEFICIT)

Net investment in capital assets	23,310,088
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Restricted

Workers' compensation	3,000,000
Unemployment insurance	1,400,000
Retirement contribution - ERS	1,000,000
Retirement contribution - TRS	444,974
Insurance	1,200,000
Employee benefit accrued liability	3,100,000
Scholarships	6,856
Athletic programs	32,185
	<u>10,184,015</u>

Unrestricted (deficit)	(124,297,578)
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TOTAL NET POSITION (DEFICIT)	\$ (90,803,475)
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WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expense)
			Operating	Revenue and
			Grants and	Changes in
			Contributions	Net Position
	Expenses	Charges for		
		Services		
FUNCTIONS / PROGRAMS				
General support	\$ (16,158,815)	\$ -	\$ -	\$ (16,158,815)
Instruction	(50,646,698)	(9,376)	3,964,495	(46,691,579)
Pupil transportation	(5,305,309)		32,861	(5,272,448)
Community services	(6,960)			(6,960)
Debt service-interest	(756,655)			(756,655)
Food service program	(1,876,854)	3,910	1,368,530	(504,414)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (74,751,291)</u>	<u>\$ (5,466)</u>	<u>\$ 5,365,886</u>	<u>(69,390,871)</u>
GENERAL REVENUES				
Real property taxes				21,387,496
Other real property tax items				3,058,434
Use of money and property				4,835
Sale of property and compensation for loss				435,636
Miscellaneous				1,033,415
State sources				44,432,986
Federal sources				864,552
TOTAL GENERAL REVENUES				<u>71,217,354</u>
CHANGE IN NET POSITION				1,826,483
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 18)				<u>(92,629,958)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (90,803,475)</u>

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

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents						
Unrestricted	\$ 4,121,903	\$ -	\$ 234,021	\$ 71,489	\$ 1,177	\$ 4,428,590
Restricted	10,144,974			50,731		10,195,705
Receivables						
State and federal aid	5,756,184	1,827,800	561,103		300,000	8,445,087
Due from other governments	2,441,974	339,127				2,781,101
Due from other funds	2,606,405					2,606,405
Accounts receivable	17,505			13		17,518
Inventories			8,449			8,449
TOTAL ASSETS	<u>\$ 25,088,945</u>	<u>\$ 2,166,927</u>	<u>\$ 803,573</u>	<u>\$ 122,233</u>	<u>\$ 301,177</u>	<u>\$ 28,482,855</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)						
Payables						
Accounts payable	\$ 2,870,344	\$ 79,564	\$ 7,837	\$ 9,896	\$ 65,460	\$ 3,033,101
Accrued liabilities	416,129	35,890	33,567			485,586
Due to other governments	328,200		2,495			330,695
Due to other funds		2,051,473	214,092	1,909	338,931	2,606,405
Due to teachers' retirement system	2,341,735					2,341,735
Due to employees' retirement system	183,983					183,983
Compensated absences payable	98,138					98,138
Unearned credits						
Collections in advance	966,667	-				966,667
TOTAL LIABILITIES	<u>7,205,196</u>	<u>2,166,927</u>	<u>257,991</u>	<u>11,805</u>	<u>404,391</u>	<u>10,046,310</u>
DEFERRED INFLOWS OF RESOURCES						
Due from other governments tuition and employee retirement system (ERS)	647,206					647,206
School Tax Relief (STAR) reimbursement	1,456,305					1,456,305
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,103,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,103,511</u>
FUND BALANCES						
Nonspendable: inventory			8,449			8,449
Restricted						
Workers' compensation	3,000,000					3,000,000
Unemployment insurance	1,400,000					1,400,000
Retirement contribution - ERS	1,000,000					1,000,000
Retirement contribution - TRS	444,974					444,974
Insurance	1,200,000					1,200,000
Employee benefit accrued liability	3,100,000					3,100,000
Scholarships				6,856		6,856
Athletic programs				32,185		32,185
Assigned						
Unappropriated fund balance	186,504		537,133	71,387		795,024
Unassigned (deficit)	5,448,760				(103,214)	5,345,546
TOTAL FUND BALANCES (DEFICIT)	<u>15,780,238</u>	<u>-</u>	<u>545,582</u>	<u>110,428</u>	<u>(103,214)</u>	<u>16,333,034</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	<u>\$ 25,088,945</u>	<u>\$ 2,166,927</u>	<u>\$ 803,573</u>	<u>\$ 122,233</u>	<u>\$ 301,177</u>	<u>\$ 28,482,855</u>

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

Total Governmental Fund Balances	\$	16,333,034
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore are deferred in the governmental funds.		2,103,511
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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 include 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	\$ 58,993,395	
Accumulated depreciation	(23,351,747)	35,641,648

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

Deferred outflows related to pensions	\$ 17,926,553	
Deferred outflows related to total other post-employment benefits obligation	836,909	18,763,462

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

Deferred inflows related to pensions	\$ (8,757,203)	
Deferred inflows related to total other post-employment benefits obligation	(14,630,035)	(23,387,238)

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

Accrued interest on bonds and energy performance contract debt payable	(233,031)
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Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of bond premium)	\$ (14,217,257)	
Energy performance contract debt payable	(1,216,560)	
Compensated absences payable	(5,057,740)	
Claims payable	(5,175,430)	
Total other post-employment benefits obligation	(110,599,591)	
Net pension liability - proportionate share - TRS	(3,741,211)	
Net pension liability - proportionate share - ERS	(17,072)	(140,024,861)

Total Net Position (Deficit)	\$	(90,803,475)
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WYANDANCH UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 21,387,496	\$ -	\$ -	\$ -	\$ -	\$ 21,387,496
Other real property tax items	1,602,129					1,602,129
Charges for services	19,639			79,122		98,761
Use of money and property compensation for loss	4,788		23	24		4,835
	435,636					435,636
Miscellaneous	682,537	268,486		11,702		962,725
State and local sources	45,368,528	991,829	37,181			46,397,538
Federal sources	1,590,772	2,267,605	1,333,292			5,191,669
Sales- school lunch			3,910			3,910
TOTAL REVENUES	71,091,525	3,527,920	1,374,406	90,848	-	76,084,699
EXPENDITURES						
General support	7,976,190					7,976,190
Instruction	34,362,237	3,598,868		128,740		38,089,845
Pupil transportation	5,175,992	32,861				5,208,853
Employee benefits	14,531,850	24,533	131,541	2,855		14,690,779
Debt service - principal	1,922,522					1,922,522
Debt service - interest	725,692					725,692
Cost of sales			1,353,169			1,353,169
Capital outlay					103,214	103,214
TOTAL EXPENDITURES	64,694,483	3,656,262	1,484,710	131,595	103,214	70,070,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,397,042	(128,342)	(110,304)	(40,747)	(103,214)	6,014,435
OTHER FINANCING SOURCES AND (USES)						
Proceeds from deficit financing	2,535,000					2,535,000
Premium on obligations	706,895					706,895
Operating transfers in		128,342				128,342
Operating transfers (out)	(128,342)					(128,342)
TOTAL OTHER FINANCING SOURCES AND (USES)	3,113,553	128,342	-	-	-	3,241,895.0
NET CHANGE IN FUND BALANCES	9,510,595	-	(110,304)	(40,747)	(103,214)	9,256,330
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR AS RESTATED (SEE NOTE 18)	6,269,643	-	655,886	151,175	-	7,076,704
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 15,780,238	\$ -	\$ 545,582	\$ 110,428	\$ (103,214)	\$ 16,333,034

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

Net Change in Fund Balances \$ 9,256,330

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

Long-Term Revenue and Expense Differences

Deferred inflows of resources - The Statement of Net Position recognizes revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in the revenues recognized under the full accrual method for the year ended June 30, 2021 was 410,683

In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.

Decrease in claims payable	\$ 1,178,002	
Increase in compensated absences payable	(1,115,257)	
Decrease in termination benefits payable	<u>100,000</u>	162,745

Changes in the proportionate share of net pension asset/(liability), and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' retirement system	\$ (2,897,737)	
Employees' retirement system	473,174	
Total other post-employment benefits obligation	<u>(3,368,045)</u>	(5,792,608)

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.

Depreciation expense	\$ (1,181,336)	
Capital outlays	<u>238,613</u>	(942,723)

Long-Term Debt Differences

Proceeds from deficit financing is recorded as revenue in the governmental funds, but not in the Statement of Activities. (2,535,000)

Premiums from deficit bonds is an other financing source in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and is amortized over the life of the bond. (624,503)

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2020 to June 30, 2021 changed by (88,209)

Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 1,560,000

Repayment of energy performance contract debt payable is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 362,522

Governmental funds report premiums, discounts, and similar items on bonds when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. Amortization for the fiscal year ended June 30, 2021 was 57,246

Change in Net Position \$ 1,826,483

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

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

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

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

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

B) Joint venture:

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by

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

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

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

C) Basis of presentation:

District-Wide Financial Statements:

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

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

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

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

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

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

D) Measurement focus and basis of accounting:

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

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, energy performance contract debt, compensated absences, termination benefits payable, claims payable, total other post-employment benefit obligations and net pension liabilities 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.

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E) Real property taxes:

Calendar:

Real property taxes are levied annually by the Board no later than October 1. The District's tax levy is collected by the town of Babylon (the "Town") and remitted to the District until their respective tax levies are satisfied.

Enforcement:

Uncollected real property taxes are subsequently enforced by Suffolk County (the "County"). The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1.

F) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

G) Interfund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

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

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

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

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows, liabilities and deferred inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period.

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Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, workers' compensation claims payable, total other post-employment benefits, net pension liability, potential contingent liabilities and useful lives of capital assets.

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits, and short-term investments with original maturities of three months or less from the 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 direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

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

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

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

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

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 acquisition value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and Improvements	\$500	Straight-line	50 years
Land improvements	\$500	Straight-line	20 years
Furniture & equipment	\$500	Straight-line	5 -8 years
Vehicles	\$500	Straight-line	8 years

M) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District reported deferred outflows of resources related to pensions and the total other post-employment benefits liability reported in the District-Wide Statement of Net Position, which are detailed further in Notes 13 and 15, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are related to pensions and the total other post-employment benefits liability reported in the District-Wide Statement of Net Position and are detailed further in Notes 13 and 15, respectively.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflow of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The District-Wide Financial Statements, however, report these deferred inflows or resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus. In the Governmental Funds Balance Sheet, the general fund reported the following unavailable revenues at June 30, 2021; \$1,456,305 in School Tax Relief reimbursement (STAR), which offers property tax relief to eligible New York State homeowners, \$182,837 for tuition and health billings from other districts, and \$464,369 for ERS billings from Wyandanch Library.

N) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal

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claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of lottery aid received in advance in the general fund for summer programs.

O) Vested employee benefits:

Compensated absences:

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employees' 403(b) plan.

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

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

Termination benefits:

Retirement incentive consist of first year eligible retirement incentive payments as specified in collective bargaining agreements. The liability is calculated in accordance with GASB Statement No. 47 *Accounting for Termination Benefits*. The liability is calculated based on years of service and age as of the end of the fiscal year. As of June 30, 2021, the District had no termination benefits payable.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

P) Other benefits:

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

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District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and Section 457.

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

Q) Short-term debt:

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

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

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

The District has issued and redeemed a TAN totaling \$15,000,000 in the fiscal year ended June 30, 2021. See Note 11 for further detail.

R) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgements, compensated absences, claims payable, total other post-employment benefit obligations and net pension liabilities that will be paid from governmental funds, are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the

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current year. Bonds, energy performance contract debt, 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 within one year or due after one year in the Statement of Net Position.

S) Equity classifications:

District-Wide Financial Statements:

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

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

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Financial Statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2021, the District has \$8,449 in nonspendable fund balance for inventory recorded in the school lunch fund.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has classified the following reserves as restricted:

Workers' compensation reserve - This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within 60 days after the end of any fiscal year, excess amounts may

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either be transferred to another reserve or the excess applied to appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

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

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

Insurance Reserve - Insurance reserve (GML§6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve however the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

Employee benefit accrued liability reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote

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of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.

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

Athletic Programs - This restricted fund balance consists of donations restricted for the purpose of funding athletic programs which were removed from the District general fund budget.

Unrestricted Resources:

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

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

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

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

The capital projects fund has a deficit unassigned fund balance of \$103,214. The deficit in the capital projects fund is the result of the District waiting to obtain the Dormitory Authority for State of New York (DASNY) capital grant funding on capital improvement projects. The deficit unassigned fund balance should be eliminated once the DASNY capital grant funding is obtained by the District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District’s budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances

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included in assigned fund balance are also excluded from the 4% limitation. The District's general fund unassigned fund balance exceeded the statutory limit at June 30, 2021.

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 modifications to the applied or transferred fund balance must be approved by formal action of the Board of Education.

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

Order of Use of Fund Balance

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

T) New accounting pronouncement:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 18 for further consideration.

U) Future changes in accounting standards:

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

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

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NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial 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 focus of the Statement of Activities, compared with the current financial resources 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. The difference primarily results from additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

Long-term revenue and expense differences:

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

Capital related differences:

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

Long-term debt differences:

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

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NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

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

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

Appropriations are adopted at the program line-item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and amendments approved the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the fiscal year ending June 30, 2021.

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the

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United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities.

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

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

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

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

Restricted cash and cash equivalents:

Restricted cash and equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2021 included \$10,195,705 within the governmental funds for general reserves and amounts restricted for scholarships, and charitable athletic program donations.

B) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2021, the District was billed \$8,661,100 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,455,541. Financial statements for the BOCES are available from the BOCES administrative office located at 507 Deer Park Avenue, Huntington Station, NY, 11746.

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NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

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

General fund	
General aid	\$ 1,636,940
Excess cost aid	2,108,119
STAR reimbursement	1,456,305
CARES Act	554,820
Total - General fund	<u>5,756,184</u>
Special aid fund	
Federal grants	1,080,554
State grants	747,246
Total - Special aid fund	<u>1,827,800</u>
School lunch fund	
Federal aid	547,246
State aid	13,857
Total - School lunch fund	<u>561,103</u>
Capital projects fund	
DASNY grant	<u>300,000</u>
Total - All funds	<u>\$ 8,445,087</u>

The general fund state and federal aid receivables includes \$1,456,305 of unavailable STAR reimbursement, which is also included in deferred inflows of resources on the balance sheet.

District's management has deemed the amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2021 consisted of the following:

General fund	
BOCES aid	\$ 1,493,047
Tuition & health service billings - other school districts	182,837
ERS billings - Wyandanch Public Library	470,255
Town of Babylon PILOT	79,008
Suffolk County (CPSE refund and IDA)	216,827
Total	<u>2,441,974</u>
Special aid fund	
Grant reimbursements from other districts	<u>339,127</u>
Total-All funds	<u>\$ 2,781,101</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
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The general fund due from other governments includes \$182,837 of tuition and health services billings from other school districts and \$464,369 of ERS billings from Wyandanch Public Library, which are also included in deferred inflows of resources on the balance sheet.

District's management has deemed the amounts to be fully collectible

NOTE 8 - CAPITAL ASSETS:

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

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,681,917	\$ -	\$ -	\$ 12,681,917
Construction in progress		103,214		103,214
Total capital assets not being depreciated	12,681,917	103,214	-	12,785,131
Capital assets being depreciated:				
Building and improvements	39,515,187			39,515,187
Land improvements	829,501			829,501
Furniture and equipment	3,365,906	135,399		3,501,305
Vehicles	2,362,271			2,362,271
Total capital assets being depreciated	46,072,865	135,399	-	46,208,264
Less accumulated depreciation:				
Building and improvements	16,147,264	790,212		16,937,476
Land improvements	829,188	7,483		836,671
Furniture and equipment	3,041,837	262,085		3,303,922
Vehicles	2,152,122	121,556		2,273,678
Total accumulated depreciation	22,170,411	1,181,336	-	23,351,747
Total capital assets being depreciated, net	23,902,454	(1,045,937)	-	22,856,517
Capital assets, net	\$ 36,584,371	\$ (942,723)	\$ -	\$ 35,641,648

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 813,424
General support	261,243
Food service program	21,956
Transportation	84,713
	<u>\$ 1,181,336</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
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NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 2,606,405	\$ -	\$ -	\$ 128,342
Special aid fund		2,051,473	128,342	
School lunch fund		214,092		
Miscellaneous special revenue fund		1,909		
Capital projects fund		338,931		
Totals	<u>\$ 2,606,405</u>	<u>\$ 2,606,405</u>	<u>\$ 128,342</u>	<u>\$ 128,342</u>

The District typically transfers from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities and state supported Section 4201 schools.

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

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

NOTE 10 – DUE TO OTHER GOVERNMENTS:

Due to other governments of \$330,695 at June 30, 2021 consisted of tuition reimbursements owed to other school districts in the amount of \$328,200 in the general fund and \$2,495 in the school lunch fund for overpayments from the State for meals.

NOTE 11 – SHORT-TERM LIABILITIES:

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Balance June 30, 2021
TAN	6/25/2021	1.25%	<u>\$ -</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ -</u>

The District obtained \$15,000,000 in tax anticipation notes for interim financing of general fund operations.

Interest on short-term debt for the year amounted to \$169,271.

WYANDANCH UNION FREE SCHOOL DISTRICT
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NOTE 12 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long -term debt:					
Serial bonds	\$ 12,675,000	\$ -	\$ 1,560,000	\$ 11,115,000	\$1,620,000
Deficit bond	-	2,535,000		2,535,000	150,000
	12,675,000	2,535,000	1,560,000	13,650,000	1,770,000
Add: premium on obligation		624,503	57,246	567,257	62,450
	12,675,000	3,159,503	1,617,246	14,217,257	1,832,450
Other long-term liabilities:					
Energy performance contract debt payable	1,579,082		362,522	1,216,560	383,222
Compensated absences payable	3,942,483	1,671,435	556,178	5,057,740	500,000
Termination benefits payable	100,000		100,000	-	
Claims payable	6,353,432		1,178,002	5,175,430	
Total other post-employment benefits obligation	104,029,035	8,892,318	2,321,762	110,599,591	
Net pension liability-proportionate share - TRS	-	5,857,627	2,116,416	3,741,211	
Net pension liability-proportionate share - ERS	6,501,945		6,484,873	17,072	
Total long-term liabilities	\$ 135,180,977	\$ 19,580,883	\$ 14,736,999	\$140,024,861	\$2,715,672

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

A) Bond Payable:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Serial bond	8/25/2011	8/25/2022	2.00-3.125%	\$ 230,000
Serial bond	8/25/2012	8/25/2027	2.25-4.18%	2,135,000
Serial bond	12/15/2012	12/15/2027	3.50-4.00%	8,750,000
Deficit bond	7/30/2020	7/15/2030	5.00%	2,535,000
				<u>\$ 13,650,000</u>

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Existing serial bond obligations are comprised of the following:

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

The District issued \$2,535,000 in deficit bonds dated July 30, 2020, maturing on July 15, 2030. The deficit bonds have a stated interest rate of 5% resulting in interest expense of \$756,969 over the life of the bonds. It includes a total premium of \$624,503 which results in a net interest cost of \$132,466 and a net interest rate of .87%.

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 1,770,000	\$ 588,272	\$ 2,358,272
2023	1,655,000	463,297	2,118,297
2024	1,720,000	396,126	2,116,126
2025	1,790,000	324,661	2,114,661
2026	1,855,000	248,799	2,103,799
2026-2031	4,860,000	327,604	5,187,604
	\$ 13,650,000	\$ 2,348,759	\$ 15,998,759

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

B) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract payable	7/16/2008	7/16/2023	5.71%	\$ 1,216,560

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

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Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 383,222	\$ 69,466	\$ 452,688
2023	405,104	47,584	452,688
2024	428,234	24,453	452,687
	<u>\$ 1,216,560</u>	<u>\$ 141,503</u>	<u>\$ 1,358,063</u>

C) Bond premium:

In the District-Wide Financial Statements, the District is amortizing the deficit bond premium as a component of interest expense on a straight-line basis. The amortization of the deficit bond premium will be as follows over the remaining life of the bonds.

Fiscal Year Ended June 30,	Deferred Premium Deficit Bond
2022	\$ 62,450
2023	62,450
2024	62,450
2025	62,450
2026	62,450
2027-2031	255,007
Total	<u>\$ 567,257</u>

D) Long-term interest:

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

	Total
Interest paid	\$ 556,421
Less interest accrued in the prior year	(144,822)
Plus interest accrued in the current year	233,031
Less amortization of bond premium	<u>(57,246)</u>
Total expense	<u>\$ 587,384</u>

WYANDANCH UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

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

ii) Employees' Retirement System

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

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

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

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year based on covered payroll for the District's year end was \$771,103 for ERS and \$2,113,728 for TRS.

WYANDANCH UNION FREE SCHOOL DISTRICT
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	<u>NYSERS</u>	<u>NYSTRS</u>
2021	\$771,103	\$2,113,728
2020	\$1,021,732	\$2,023,965
2019	\$907,296	\$2,950,385

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

At June 30, 2021, the District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension (liability)	\$ (17,072)	\$ (3,741,211)
District's portion of the Plan's total net pension liability	0.0171453%	0.1353910%
Change in proportion since prior measurement date	(0.0074083%)	(0.0312220%)

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$5,024,707 for TRS and pension expense of \$304,891 for ERS. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 208,499	\$ 3,278,050	\$ -	\$ 191,730
Changes of assumptions	3,139,038	4,731,761	59,203	1,686,626
Net difference between projected and actual earnings on pension plan investments		2,443,339	4,904,158	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	175,658	1,652,497	701,863	1,213,623
District's contributions subsequent to the measurement date	<u>183,983</u>	<u>2,113,728</u>	<u></u>	<u></u>
	<u>\$ 3,707,178</u>	<u>\$ 14,219,375</u>	<u>\$ 5,665,224</u>	<u>\$ 3,091,979</u>

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

	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2021	\$ -	\$ 1,445,128
2022	(402,793)	2,929,733
2023	(238,486)	2,454,479
2024	(409,480)	1,556,123
2025	(1,091,270)	187,146
Thereafter	<u>441,059</u>	<u>441,059</u>
	<u>\$ (2,142,029)</u>	<u>\$ 9,013,668</u>

Actuarial Assumptions

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

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	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Cost of living adjustments	1.4% Annually	1.3% Annually
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%

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

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

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

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<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2021		June 30, 2020	
<u>Asset type</u>	<u>Target</u> <u>Allocation</u>	<u>Long-term</u> <u>expected real</u> <u>rate of return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-term</u> <u>expected real</u> <u>rate of return</u>
Domestic equity	32%	4.05%	33%	7.10%
International equity	15%	6.30%	16%	7.70%
Global equity			4%	7.40%
Private equity	10%	6.75%	8%	10.40%
Real estate	9%	4.95%	11%	6.80%
Opportunistic/Absolute retur	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed income	23%			
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.80%
Global bonds			2%	1.00%
High-yield bonds			1%	3.90%
Private debt			1%	5.20%
Real estate debt			7%	3.60%
Cash equivalents			1%	0.70%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.00% for ERS, and 2.20% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% for ERS and 6.1% for TRS) or 1-percentage-point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
District's proportionate share of the net pension asset/(liability)	\$ (4,738,598)	\$ (17,072)	\$ 4,337,280
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
<u>TRS</u>			
District's proportionate share of the net pension asset/(liability)	\$ (23,631,942)	\$ (3,741,211)	\$ 12,952,153

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension (liability)	\$ (220,680,157)	\$ (123,242,776)
Plan Net Position	<u>220,580,583</u>	<u>120,479,505</u>
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (2,763,271)</u>

Ratio of plan net position to the		
Employers' total pension asset/(liability)	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based

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on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$183,983.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$2,341,735.

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax sheltered annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2021 were \$0 and \$1,024,238, respectively.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan description

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

Benefits provided

The Plan provides medical, dental and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 0% and 100% of premiums for retirees, between 0% and 100% of the premiums for family, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in

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the fund financial statements as payments are accrued. For fiscal year 2021, the District contributed an estimated \$2,321,762 to the Plan, including \$2,321,762 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees covered by benefit terms

At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	246
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	378
	<u>624</u>

B) Total OPEB Liability:

The District’s total OPEB liability of \$110,599,591 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases, including inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	6.6% decreasing to 4.10% over 56 years
Retirees' share of benefit-related costs	0% to 100% of projected health and dental insurance premiums for individuals, 0% to 100% for family, and 100% for surviving spouse.

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

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The actuarial assumptions used in the July 1, 2019 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2020	\$ 104,029,035
Changes for the fiscal year:	
Service cost	5,541,540
Interest	2,395,995
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	954,783
Benefit payments	<u>(2,321,762)</u>
Net changes	<u>6,570,556</u>
Balance at June 30, 2021	<u><u>\$ 110,599,591</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the change in discount rate from 2.21% to 2.16%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$ 132,305,516</u>	<u>\$ 110,599,591</u>	<u>\$ 93,466,414</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.60%) or 1-percentage-point higher (7.60%) than the current healthcare cost trend rates:

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

	1% Decrease (5.60% decreasing to 3.10%)	Healthcare Cost Trend Rates (6.60% decreasing to 4.10%)	1% Increase (7.60% decreasing to 5.10%)
Total OPEB liability	<u>\$ 88,995,920</u>	<u>\$ 110,599,591</u>	<u>\$ 139,637,406</u>

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$5,689,807. At June 30, 2021, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (5,960,603)
Changes of assumptions or other inputs	<u>836,909</u>	<u>(8,669,432)</u>
	<u>\$ 836,909</u>	<u>\$ (14,630,035)</u>

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

Fiscal Year ended June 30:	
2022	\$ (2,247,728)
2023	(2,247,728)
2024	(2,247,728)
2025	(2,247,728)
2026	(2,247,728)
Thereafter	<u>(2,554,486)</u>
	<u>\$ (13,793,126)</u>

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

NOTE 16 – RISK MANAGEMENT:

General:

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

Risk retention:

General:

The District participated in Salerno Brokerage Corp, a non-risk-retained public entity risk pool for its District property and liability insurance coverage through June 30, 2021. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

Consortiums and self-insured plans:

The District has established a self-insured plan for risks associated with Workers' Compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported claims which were incurred on or before year-end but not paid. Liabilities do not include an amount for unpaid claims which were incurred on or before year-end but not reported (IBNR). As of June 30, 2021, the District has recorded potential workers' compensation claims of \$5,175,430, and has a reserve for workers' compensation in the general fund of \$3,000,000.

Claims activity for the current and preceding year is summarized below:

	<u>2021</u>	<u>2020</u>
Unpaid and unreported claims at beginning of year	\$ 6,353,432	\$ 5,019,519
Incurred claims and claim adjustment expenses	(250,476)	1,777,546
Claims payments	<u>(927,526)</u>	<u>(443,633)</u>
Unpaid and unreported claims at year end	<u>\$ 5,175,430</u>	<u>\$ 6,353,432</u>

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

Public Entity Risk Pool:

The District participates in New York Schools Insurance Reciprocal, a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

NOTE 17 – TAX ABATEMENTS:

Suffolk County Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 911-A, and the Town of Babylon Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 898-b, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the County and Town.

Related to agreements with the Suffolk County IDA, the District's property tax revenue was reduced by \$238,470 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$156,827 for these programs during the fiscal year.

Related to agreements with the Town of Babylon IDA, the District's property tax revenue was reduced by \$1,702,040 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$1,445,303 for these programs during the fiscal year.

NOTE 18 – RESTATEMENT OF FUND BALANCES/ NET POSITION

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

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

	General Fund	Miscellaneous Special Revenue Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Reported	\$ 6,269,643	\$ 81,134	\$(92,699,999)
Assets			
Cash	45,400	63,185	108,585
Cash - restricted	55,896	6,856	62,752
Accounts receivable	263,024		263,024
Current and other assets			
Due from fiduciary fund	(293,603)		(293,603)
Total Assets	<u>\$ 70,717</u>	<u>\$ 70,041</u>	<u>\$ 140,758</u>
Liabilities			
Current and other liabilities	70,717		70,717
Total Liabilities	<u>70,717</u>	<u>-</u>	<u>70,717</u>
Fund Balance/Net Position (Deficit)			
Restricted - fiduciary fund			
Restricted for scholarships		6,856	6,856
Assigned unappropriated fund balance		63,185	63,185
Total Fund Balance/Net Position	<u>-</u>	<u>70,041</u>	<u>70,041</u>
Net increase (decrease) in Fund Balance/Net Position	<u>-</u>	<u>70,041</u>	<u>70,041</u>
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Restated	<u>\$ 6,269,643</u>	<u>\$ 151,175</u>	<u>\$(92,629,958)</u>

NOTE 19 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

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

General fund	
Finance	\$ 23,600
Central services	126,171
Instruction	36,427
Instructional media	306
Total general fund	<u>\$ 186,504</u>
Special aid fund	
Instruction	<u>\$ 83,800</u>
School lunch fund	
Goods and services	<u>\$ 31,977</u>
Capital projects fund	
Capital projects	<u>\$ 214,540</u>

B) Grants:

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

C) Leases:

The District is committed under a non-cancelable operating lease, which is a lease for a building. Lease expenditures for the fiscal year ending June 30, 2021 were \$212,180. The following is a summary of obligations of government activities under operating lease payments:

<u>Fiscal Year Ending June 30,</u>	<u>Annual Lease Cost</u>
2022	218,545
2023	<u>225,101</u>
Total	<u>\$ 443,646</u>

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

NOTE 20 – SUBSEQUENT EVENTS:

Management of the District evaluated events through October 15, 2021 which is the date the financial statements were available to be issued, and noted the following:

- In July 2021, the District was awarded Coronavirus Response and Relief Supplemental Appropriations (CRSSA) funding of \$2,565,147 through the Elementary and Secondary School Emergency Relief Program (ESSER) and \$13,367 through the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as expended.
- The District issued \$12,000,000 in tax anticipation notes on September 21, 2021, with a stated interest rate of 1.25% maturing on June 24, 2022.

SUPPLEMENTARY INFORMATION

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local sources				
Real property taxes	\$ 21,103,397	\$ 21,103,397	\$ 21,387,496	\$ 284,099
Other real property tax items	1,495,868	1,495,868	1,602,129	106,261
STAR reimbursement	1,510,000	1,510,000		(1,510,000)
Charges for services	150,000	150,000	19,639	(130,361)
Use of money and property	20,000	20,000	4,788	(15,212)
Sale of property and compensation for loss	100,000	100,000	435,636	335,636
Miscellaneous	120,000	120,000	682,537	562,537
State sources				
Basic formula	35,809,200	35,809,200	27,726,119	(8,083,081)
Excess cost aid	3,326,776	3,326,776	8,831,446	5,504,670
Lottery aid			6,184,066	6,184,066
BOCES aid	2,076,415	2,076,415	1,455,541	(620,874)
Textbook aid	230,958	230,958	171,547	(59,411)
Computer software/hardware aid	58,101	58,101	99,978	41,877
Transportation	2,771,268	2,771,268		(2,771,268)
Other state aid	2,351,043	2,351,043	899,831	(1,451,212)
Federal sources				
Cares Act	-	-	726,220	726,220
Medicaid	100,000	100,000	198,863	98,863
QZAP reimbursement of interest on bonds	500,000	500,000	665,689	165,689
Other Financing Sources				
Premium on obligations			2,535,000	2,535,000
			706,895	706,895
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>71,723,026</u>	<u>71,723,026</u>	<u>74,333,420</u>	<u>\$ 2,610,394</u>
Appropriated reserves	<u>113,021</u>	<u>113,021</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED RESERVES	<u>\$ 71,836,047</u>	<u>\$ 71,836,047</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	\$ 128,736	\$ 128,736	\$ 75,097	\$ -	\$ 53,639
Central administration	456,724	456,724	433,446		23,278
Finance	1,030,012	1,031,634	881,308	23,600	126,726
Staff	1,098,448	1,196,898	1,083,207		113,691
Central services	5,311,733	5,396,367	4,714,914	126,171	555,282
Special items	844,466	832,134	788,218		43,916
Total general support	8,870,119	9,042,493	7,976,190	149,771	916,532
Instruction					
Instruction, adm. & imp.	3,325,913	3,337,555	2,819,293		518,262
Teaching - regular school	13,761,146	13,780,954	12,978,391		802,563
Programs for children with handicapping conditions	14,902,239	15,158,055	13,895,026	36,427	1,226,602
Occupational education	993,988	994,988	808,856		186,132
Teaching special schools	333,480	333,480	104,816		228,664
Instructional media	2,037,175	1,898,009	1,782,907	306	114,796
Pupil services	2,228,917	2,332,799	1,972,948		359,851
Total instruction	37,582,858	37,835,840	34,362,237	36,733	3,436,870
Pupil transportation	6,117,154	6,024,316	5,175,992		848,324
Employee benefits	16,485,594	16,152,976	14,531,850		1,621,126
Debt service					
Debt service principal	1,847,840	1,922,522	1,922,522		-
Debt service interest	932,482	857,900	725,692		132,208
Total debt service	2,780,322	2,780,422	2,648,214	-	132,208
TOTAL EXPENDITURES	71,836,047	71,836,047	64,694,483	186,504	6,955,060
Other Financing Uses					
Transfers to other funds			128,342		(128,342)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 71,836,047	\$ 71,836,047	64,822,825	\$ 186,504	\$ 6,826,718
NET CHANGE IN FUND BALANCES			9,510,595		
FUND BALANCES - BEGINNING OF YEAR			6,269,643		
FUND BALANCES - END OF YEAR			\$ 15,780,238		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 5,541,540	\$ 5,044,140	\$ 6,188,369	\$ 6,008,125
Interest	2,395,995	3,987,052	3,517,026	3,306,039
Changes of benefit terms		(1,932,169)		
Differences between expected and actual experience		(7,571,101)		(175,030)
Changes of assumptions or other inputs	954,783	(3,247,104)	(9,520,471)	
Benefit payments	<u>(2,321,762)</u>	<u>(2,227,703)</u>	<u>(2,491,172)</u>	<u>(2,084,869)</u>
Net change in total OPEB liability	6,570,556	(5,946,885)	(2,306,248)	7,054,265
Total OPEB liability - beginning	104,029,035	109,975,920	112,282,168	105,227,903
Total OPEB liability - ending	<u>\$ 110,599,591</u>	<u>\$ 104,029,035</u>	<u>\$ 109,975,920</u>	<u>\$ 112,282,168</u>
Covered-employee payroll	28,638,479	\$ 28,638,479	\$ 28,788,925	\$ 28,788,925
Total OPEB liability as a percentage of covered-employee payroll	386.19%	363.25%	382.01%	390.02%

Notes to Schedule:*Trust Assets*

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

Changes of Assumptions

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

The following are the discount rates used in each period.

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

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

NYSERS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension (liability)/asset	0.0171453%	0.0245536%	0.0253690%	0.0248931%	0.0226002%	0.0221470%	0.0230620%
District's proportionate share of the net pension (liability)/asset	(17,072)	\$ (6,501,945)	\$ (1,797,474)	\$ (803,410)	\$ (2,123,564)	\$ (3,554,657)	\$ 779,090
District's covered payroll	\$ 5,735,739	\$ 7,279,051	\$ 7,145,674	\$ 6,770,675	\$ 6,283,675	\$ 6,019,416	\$ 5,676,813
District's proportionate share of the net pension (liability)/asset as a percentage of its covered payroll	0.30%	89.32%	25.15%	11.87%	33.79%	59.05%	13.72%
Plan fiduciary net position as a percentage of the total pension (liability)/asset	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
NYSTRS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension (liability)/asset	0.135391%	0.1666130%	0.154328%	0.146548%	0.143276%	0.136161%	0.143949%
District's proportionate share of the net pension (liability)/asset	(3,741,211)	\$ 4,328,628	\$ 2,790,656	\$ 1,113,909	\$ (1,534,541)	\$ 14,142,825	\$ 16,035,034
District's covered payroll	\$ 22,843,849	\$ 26,991,856	\$ 25,914,142	\$ 24,143,552	\$ 22,779,777	\$ 21,263,526	\$ 20,246,756
District's proportionate share of the net pension (liability)/asset as a percentage of its covered payroll	16.38%	16.04%	10.77%	4.61%	6.74%	66.51%	79.20%
Plan fiduciary net position as a percentage of the total pension (liability)/asset	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	110.46%

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

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

NYSERS Pension Plan										
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 771,103	\$ 1,021,732	\$ 907,296	\$ 893,306	\$ 947,518	\$ 719,986	\$ 1,250,413	\$ 1,137,445	\$ 943,217	\$ 888,272
Contributions in relation to the contractually required contribution	<u>771,103</u>	<u>1,021,732</u>	<u>907,296</u>	<u>893,306</u>	<u>947,518</u>	<u>719,986</u>	<u>1,250,413</u>	<u>1,137,445</u>	<u>943,217</u>	<u>888,272</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,564,231	\$ 5,468,446	\$ 7,085,284	\$ 6,871,536	\$ 6,226,666	\$ 6,031,333	\$ 5,886,995	\$ 5,725,174	\$ 5,849,958	\$ 5,969,122
Contributions as a percentage of covered payroll	13.86%	18.68%	12.81%	13.00%	15.22%	11.94%	21.24%	19.87%	16.12%	14.88%
NYSTRS Pension Plan										
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,113,728	\$ 2,023,965	\$ 2,950,385	\$ 2,463,553	\$ 2,712,843	\$ 2,931,635	\$ 3,763,235	\$ 3,658,839	\$ 2,620,430	\$ 2,257,144
Contributions in relation to the contractually required contribution	<u>2,113,728</u>	<u>2,023,965</u>	<u>2,950,385</u>	<u>2,463,553</u>	<u>2,712,843</u>	<u>2,931,635</u>	<u>3,763,235</u>	<u>3,658,839</u>	<u>2,620,430</u>	<u>2,257,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 22,295,687	\$ 22,843,849	\$ 26,991,856	\$ 25,914,142	\$ 24,143,552	\$ 22,779,777	\$ 21,263,526	\$ 20,246,756	\$ 18,317,489	\$ 19,117,974
Contributions as a percentage of covered payroll	9.48%	8.86%	10.93%	9.51%	11.24%	12.87%	17.70%	18.07%	14.31%	11.81%

**WYANDANCH UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 71,723,026
Add: Prior year's encumbrances	<u>113,021</u>
Original Budget	71,836,047
Add: Budget Revisions	<u>-</u>
Final Budget	<u><u>\$ 71,836,047</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter approved expenditure budget	<u><u>\$ 79,906,909</u></u>
Maximum allowed (4% of 2021-2022 budget)	<u><u>\$ 3,196,276</u></u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	
Assigned fund balance	\$ 186,504
Unassigned fund balance	<u>5,448,760</u>
Total unrestricted fund balance	<u>5,635,264</u>
Less:	
Encumbrances	<u>\$ 186,504</u>
Total adjustments	<u>186,504</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,448,760</u></u>
Actual percentage	6.82%

WYANDANCH UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
AS OF JUNE 30, 2021

Project Title	Proj. #	Original Appropriation	Revised Appropriation	Expenditures and Transfers to Date				Unexpended Balance	Methods of Financing				Fund Balance June 30, 2021
				Prior Year's	Current Year Capital Outlay	Current Year Transfers	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
LFH/MLK Playground	000002	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ -
Bus Garage Sewer	007010	10,500	539,835		27,152		27,152	512,683				-	(27,152)
LFH/MLK Sewer	002030	31,500	1,619,506		76,062		76,062	1,543,444				-	(76,062)
		<u>\$ 342,000</u>	<u>\$ 2,459,341</u>	<u>\$ 300,000</u>	<u>\$ 103,214</u>	<u>\$ -</u>	<u>\$ 403,214</u>	<u>\$ 2,056,127</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ (103,214) *</u>

* The deficit fund balance will be eliminated once the District receives the DASNY grant funding.

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

Capital assets, net		\$ 35,641,648
Deduct:		
Short-term bonds payable	\$ 1,620,000	
Long-term bonds payable	<u>9,495,000</u>	11,115,000
Short-term energy performance contract debt payable	\$ 383,222	
Long-term energy performance contract debt payable	<u>833,338</u>	<u>1,216,560</u>
Net investment in capital assets		<u><u>\$ 23,310,088</u></u>

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

To the Board of Education
Wyandanch Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Wyandanch Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

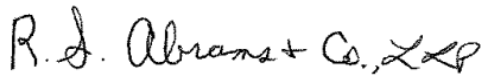
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, flowing style.

R.S. Abrams & Co., LLP
Islandia, NY
October 15, 2021