



**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITOR'S REPORTS**

**June 30, 2022**

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**TABLE OF CONTENTS**

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	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis (MD&amp;A)</b>	4
<b>Financial Statements:</b>	
Statement of Net Position	19
Statement of Activities	20
Balance Sheet – Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	24
Statement of Fiduciary Net Position – Fiduciary Fund	25
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	25
Notes to Financial Statements	26
<b>Required Supplementary Information Other than MD&amp;A:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	56
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	58
Schedule of District Pension Contributions	59
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	60
<b>Other Information:</b>	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund	61
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund	62
Schedule of Net Investment in Capital Assets	65
<b>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 <i>Government Auditing Standards</i></b>	66



**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
 Plainedge Union Free School District  
 North Massapequa, New York

**Report on the Audit of the Financial Statements**

***Qualified and Unmodified Opinions***

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

*Summary of Opinions*

OPINION UNIT	TYPE OF OPINION
Governmental Activities	<i>Unmodified</i>
General Fund	<i>Unmodified</i>
Special Aid Fund	<i>Unmodified</i>
School Food Service Fund	<i>Unmodified</i>
Debt Service Fund	<i>Unmodified</i>
Capital Projects Fund	<i>Unmodified</i>
Extracurricular Activities Fund	<i>Qualified</i>
Scholarships Fund	<i>Unmodified</i>
Fiduciary Fund	<i>Unmodified</i>

*Qualified Opinion*

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the cash receipts referred to in the "Matter Giving Rise to the Qualified Opinion on the Extracurricular Activities Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extracurricular activities fund of the Plainedge Union Free School District, as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extracurricular activities fund, and the fiduciary fund of the Plainedge Union Free School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United State of America.

***Basis for Qualified Opinion and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be

independent of the Plainedge Union Free School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

#### ***Matter Giving Rise to the Qualified Opinion on the Extraclassroom Activities Fund***

The cash receipts records of the extraclassroom activities fund of the Plainedge Union Free School District were not adequate to permit the application of sufficient adequate auditing procedures to indicate whether all receipts were recorded.

#### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, "Change in Accounting Principle," the District has adopted the provisions of GASB Statement No. 87, *Leases*, as of June 30, 2022. Our opinion is not modified with respect to this matter.

#### ***Management's Responsibility for the Financial Statements***

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

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

#### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions, and schedule of changes in the District's total OPEB liability and related ratios on pages 4 through 18 and 56 through 60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

The other information on pages 61 through 65 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022 on our consideration of the Plainedge Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Plainedge Union Free School 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 Plainedge Union Free School District's internal control over financial reporting and compliance.

*Cullen & Danowski, LLP*

September 20, 2022

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

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The Plainedge Union Free School District's (District) discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022 in comparison with the year ended June 30, 2021, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2022 are as follows:

- The District's total net position, as reflected in the district-wide financial statements, increased by \$13,342,842. This was due to an excess of revenues over expenses using the economic resources measurement focus and the accrual basis of accounting.
- For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of this Statement included a restatement comprised of capital assets and lease liabilities of \$909,756 each, which resulted in no change to total net position.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$85,491,638. Of this amount, \$7,641,709 was offset by program charges for services, and operating grants and contributions. General revenues of \$91,192,771 amount to 92.3% of total revenues, and were adequate to cover the balance of program expenses.
- The District's general fund fund balance, as reflected in the fund financial statements was \$30,343,948 at June 30, 2022. This balance represents a \$1,514,599 decrease (4.75%) from the prior year, due to an excess of expenditures and other financing uses over revenues and other financing sources, using the current financial resources measurement focus and the modified accrual basis of accounting. Restricted fund balances decreased by \$1,404,887 due to the use of reserves, offset by funding of reserves and interest allocated to the reserves. Assigned fund balance decreased \$126,684, as the District decreased the fund balance appropriated to fund the 2023 budget in addition to a decrease in the assignment for encumbrances. Unassigned fund balance increased by \$16,968 to \$3,922,595.
- The District's 2022 property tax levy of \$67,680,775 was the same as the 2021 tax levy. The District's property tax cap was 0%.
- On May 19, 2015, the voters approved capital reserve II. The reserve has a funding cap of \$25,000,000 over 10 years, and provides for annual funding of an amount not to exceed \$2,500,000. This reserve has been funded by the District in the amount of \$25,000,000 and has earned interest of \$54,526 through June 30, 2022. To date, the voters approved to expend \$23,140,476 from the reserve for capital projects, including \$2,511,920 for projects as approved by the voters on May 18, 2022 under Proposition 2. The reserve balance in the general fund is \$1,914,050.
- On May 15, 2018, the voters approved capital reserve III. The reserve has a funding cap of \$15,000,000 plus investment income and a probable term of 15 years and provides for annual funding of an amount not to exceed \$2,500,000. This reserve has been funded by the District in the amount of \$8,852,443 and has earned interest of \$66,141 through June 30, 2022. To date, the voters approved to expend \$6,046,086 from the reserve for capital projects, including \$2,200,000 for projects as approved by the voters on May 18, 2021 under Proposition 3. The reserve balance in the general fund is \$2,872,498.

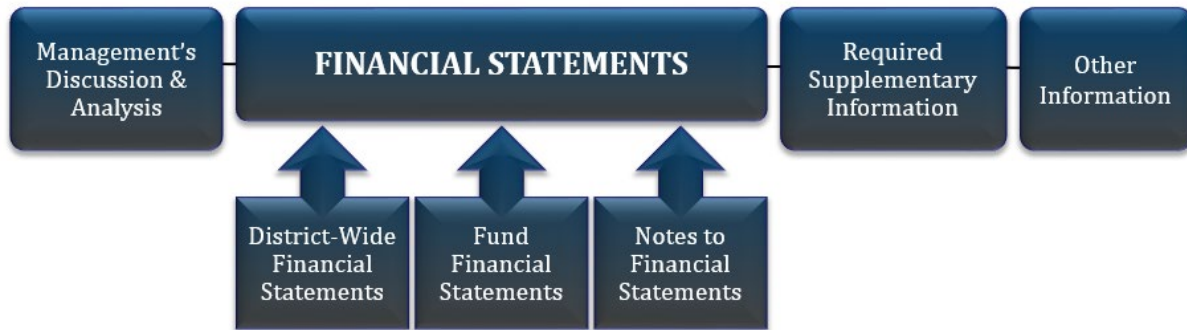
**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

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- On May 21, 2019, the voters approved capital reserve IV. The capital reserve – facilities upgrade has a funding cap of \$25,000,000 plus investment income and a probable term of 15 years and provides for annual funding of an amount not to exceed \$2,500,000. As part of the voter approval, the reserves were to be funded from net proceeds from the liquidation of split dollar life insurance policies owned by the Board of Education not to exceed \$2,500,000, unspent bond proceeds and interest remaining in the debt service fund not to exceed \$1,700,000, and from surplus monies remaining in unreserved undesignated fund balance in the general fund in an annual amount not to exceed \$5,000,000 each year. This reserve has been funded by the District in the amount of \$13,700,000 and has earned interest of \$28,155 through June 30, 2022. To date, the voters approved to expend \$11,122,460 from the reserve for capital projects, including \$2,856,662 for projects as approved by the voters on May 18, 2022 under Proposition 2. The reserve balance in the general fund is \$2,605,695.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – management’s discussion and analysis (MD&A), the financial statements, required supplementary information, and other information. The financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



**A. District-Wide Financial Statements**

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

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

The Statement of Net Position

The Statement of Net Position presents information on all of the District’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District’s property tax base and the condition of the District’s school buildings and other capital assets.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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The Statement of Activities

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

**B. Fund Financial Statements**

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

Governmental Funds

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

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

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

The District maintains seven individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activities fund and scholarships fund; each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in separate statements. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

Certain balances at June 30, 2021, were adjusted as a result of the implementation of GASB Statement No. 87, *Leases*, which required the District to record both a capital asset and the related liability of \$909,756; however, these changes had no impact on total net position.

The District's total net position increased by \$13,342,842 between fiscal year 2021 and 2022. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	<u>June 30, 2022</u>	<u>As Restated June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Assets</b>				
Current and Other Assets	\$ 61,210,863	\$ 57,557,576	\$ 3,653,287	6.35 %
Capital Assets, Net	81,456,570	78,937,060	2,519,510	3.19 %
Net Pension Assets -				
Proportionate Share	43,659,808	-	43,659,808	100.00 %
Total Assets	<u>186,327,241</u>	<u>136,494,636</u>	<u>49,832,605</u>	36.51 %
<b>Deferred Outflows of Resources</b>	<u>50,646,255</u>	<u>55,100,088</u>	<u>(4,453,833)</u>	(8.08)%
<b>Liabilities</b>				
Current and Other Liabilities	7,621,994	7,444,027	177,967	2.39 %
Long-Term Liabilities	11,015,360	12,479,163	(1,463,803)	(11.73)%
Net Pension Liabilities -				
Proportionate Share	-	6,476,045	(6,476,045)	(100.00)%
Total OPEB Liability	<u>88,904,341</u>	<u>106,880,444</u>	<u>(17,976,103)</u>	(16.82)%
Total Liabilities	<u>107,541,695</u>	<u>133,279,679</u>	<u>(7,761,881)</u>	(19.31)%
<b>Deferred Inflows of Resources</b>	<u>100,956,702</u>	<u>43,182,788</u>	<u>57,773,914</u>	133.79 %
<b>Net Position</b>				
Net Investment in Capital Assets	77,083,736	72,758,634	4,325,102	5.94 %
Restricted	42,469,945	41,253,337	1,216,608	2.95 %
Unrestricted (Deficit)	<u>(91,078,582)</u>	<u>(98,879,714)</u>	<u>7,801,132</u>	(7.89)%
Total Net Position	<u>\$ 28,475,099</u>	<u>\$ 15,132,257</u>	<u>\$ 13,342,842</u>	88.17 %

The increase in current and other assets is primarily due to an increase in the District's cash, offset by decreases in taxes receivable and due from state and federal.

The increase in capital assets, net is the result of ongoing capital improvement projects in excess of depreciation/amortization. The accompanying Notes to Financial Statements, Note 10 "Capital Assets," provides additional information.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's and the New York State and Local Employees' Retirement System's collective net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate shares shifted from liabilities to assets. The accompanying Notes to Financial Statements, Note 13 "Pension Plans – New York State," provides additional information.

Deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The increase in current and other liabilities is primarily related to increases in accounts payable and due to teachers' retirement system, offset by a decrease in accrued liabilities.

The decrease in long-term liabilities is due to repayments of the current maturities of debt, offset by the increases in compensated absences payable and workers' compensation liabilities.

Net pension liabilities – proportionate share represents the District's share of the New York State Teachers' Retirement System and New York State and Local Employees' Retirement System's collective net pension liabilities, at the measurement date of the respective year. The decrease is due to the shift from net pension liabilities in the prior year, to net pension assets in the current year. The accompanying Notes to Financial Statements, Note 13 "Pension Plans – New York State" provides additional information.

Total OPEB liability decreased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 15 "Postemployment Healthcare Benefits," provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation/amortization and related outstanding debt. The accompanying Other Information, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount relates to the District's reserves, which increased over the prior year, mainly due to transfers into, and interest earned on the reserves.

The unrestricted deficit amount relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**B. Changes in Net Position**

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements School Tax Relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 2,788,823	\$ 2,085,084	\$ 703,739
Operating Grants & Contributions	4,852,886	2,299,231	2,553,655
Capital Grants	-	748,290	(748,290)
General Revenues			
Property Taxes & STAR	67,813,087	67,799,526	13,561
State Sources	21,390,453	20,894,993	495,460
Other	1,989,231	2,124,794	(135,563)
Total Revenues	<u>98,834,480</u>	<u>95,951,918</u>	<u>2,882,562</u>
<b>Expenses</b>			
General Support	11,843,198	12,436,378	(593,180)
Instruction	68,998,161	80,764,980	(11,766,819)
Pupil Transportation	2,895,025	3,160,735	(265,710)
Community Services	655,567	740,112	(84,545)
Debt Service - Interest	120,680	368,148	(247,468)
Food Service Program	979,007	778,972	200,035
Total Expenses	<u>85,491,638</u>	<u>98,249,325</u>	<u>(12,757,687)</u>
Change in Net Position	<u>\$ 13,342,842</u>	<u>\$ (2,297,407)</u>	<u>\$ 15,640,249</u>

Net position increased by \$13,342,842 and decreased by \$2,297,407 for the years ended June 30, 2021 and June 30, 2022, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following major changes:

- Operating grants increased as the District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) program and the Governor's Emergency Education Relief (GEER) program.
- Capital grants decreased, as the prior year included capital improvements funded by the SMART Schools Bond Act.

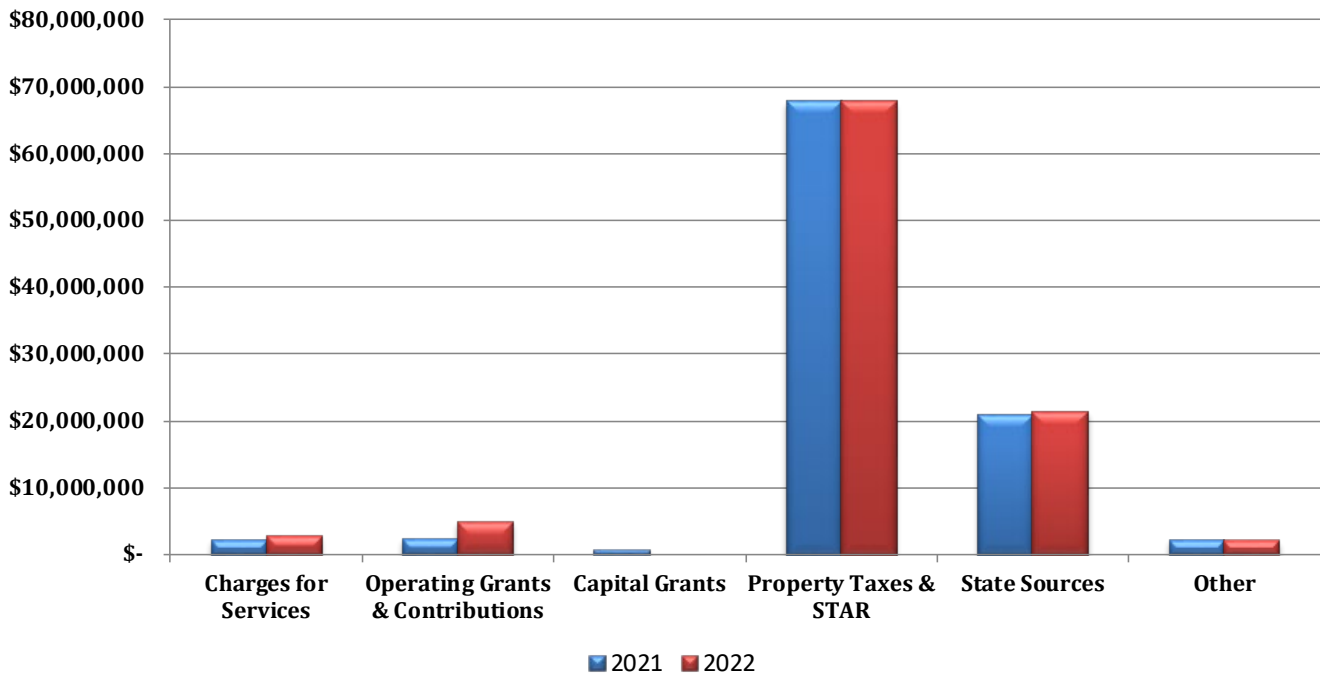
**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

The District’s expenses decreased when compared to the prior year, primarily due to the following major changes:

- Instruction expenses decreased as the prior year had costs in support of distance learning which were no longer incurred in the current year.
- General support and instruction expenses decreased based on the impact of allocations of the net change in actuarially determined pension expenses for TRS and ERS, and OPEB costs, which were offset by increased costs of health insurance.
- Instructional media expenses decreased as the District invested in Chromebooks for students in the prior year.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 68.6% and 70.7% of the total for the years 2022 and 2021, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 80.7% and 82.1% of the total for the years 2022 and 2021, respectively).

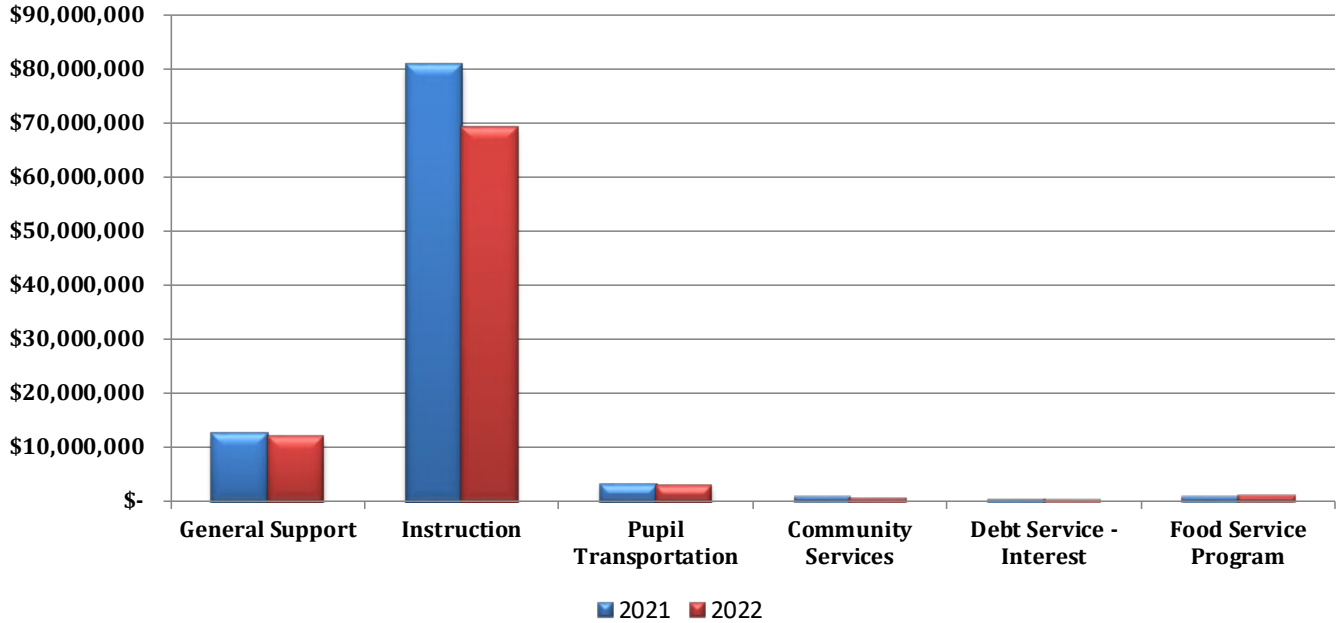
**Revenue Distribution**



	Charges for Services	Operating Grants & Contributions	Capital Grants	Property Taxes & STAR	State Sources	Other
<b>2021</b>	2.2%	2.4%	0.8%	70.7%	21.8%	2.1%
<b>2022</b>	2.8%	4.9%	0.0%	68.6%	21.6%	2.1%

**PLAINEDGE UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)**

**Expense Distribution**



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
<b>2021</b>	12.7%	82.1%	3.2%	0.8%	0.4%	0.8%
<b>2022</b>	13.9%	80.7%	3.4%	0.8%	0.1%	1.1%

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2022, the District's governmental funds reported a combined fund balance of \$53,593,037, which is an increase of \$3,461,993 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>General Fund</b>				
Restricted:				
Workers' compensation	\$ 1,078,053	\$ 1,077,729	\$ 324	0.03 %
Unemployment insurance	1,184,082	1,183,727	355	0.03 %
Retirement contribution				
Teachers' retirement system	1,876,669	1,176,316	700,353	59.54 %
Employees' retirement system	6,125,599	6,123,762	1,837	0.03 %
Employee benefit accrued liability	4,422,971	4,077,662	345,309	8.47 %
Capital	7,392,243	9,845,304	(2,453,061)	(24.92)%
Assigned:				
Appropriated fund balance	3,205,726	3,292,154	(86,428)	(2.63)%
Unappropriated fund balance	1,136,010	1,176,266	(40,256)	(3.42)%
Unassigned: Fund balance	3,922,595	3,905,627	16,968	0.43 %
	<u>30,343,948</u>	<u>31,858,547</u>	<u>(1,514,599)</u>	<u>(4.75)%</u>
<b>Special Aid Fund</b>				
Unassigned: Fund balance (deficit)	<u>-</u>	<u>(518,438)</u>	<u>518,438</u>	<u>(100.00)%</u>
<b>School Food Service Fund</b>				
Nonspendable: Inventory	33,831	25,652	8,179	31.88 %
Assigned: Unappropriated fund balance	648,151	273,533	374,618	136.96 %
	<u>681,982</u>	<u>299,185</u>	<u>382,797</u>	<u>127.95 %</u>
<b>Debt Service Fund</b>				
Restricted: Debt	<u>-</u>	<u>81,119</u>	<u>(81,119)</u>	<u>(100.00)%</u>
<b>Capital Projects Fund</b>				
Restricted: Capital	20,378,387	17,674,964	2,703,423	15.30 %
Assigned: Unappropriated fund balance	2,100,319	648,606	1,451,713	223.82 %
	<u>22,478,706</u>	<u>18,323,570</u>	<u>4,155,136</u>	<u>22.68 %</u>
<b>Extraclassroom Activities Fund</b>				
Assigned: Unappropriated fund balance	<u>76,460</u>	<u>74,307</u>	<u>2,153</u>	<u>2.90 %</u>
<b>Scholarships Fund</b>				
Restricted: Scholarships	<u>11,941</u>	<u>12,754</u>	<u>(813)</u>	<u>(6.37)%</u>
Total Fund Balance	<u>\$ 53,593,037</u>	<u>\$ 50,131,044</u>	<u>\$ 3,461,993</u>	<u>6.91 %</u>

**A. General Fund**

The general fund – fund balance is a net decrease of \$1,514,599, compared to a decrease of \$1,744,388 in 2021. This resulted from expenditures and other financing uses in excess of revenues and other financing sources.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

The following is a summary of the major changes that resulted in total revenues and other financing sources increasing over the prior year:

- Charges for services increased due to increases in participation in the before and after school programs and an increase in non-resident tuition.
- Miscellaneous revenues increased as the District received larger refunds from BOCES and of prior year expenditures.
- State sources increased mainly due to more BOCES aid.
- Federal sources decreased as the District recognized funding for COVID-19 relief under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) and the Governor's Emergency Education Relief (GEER) Program in the general fund in the prior year. Funding from these programs in the current year was recognized in the special aid fund.

The major change that resulted in total expenditures and other financing uses increasing over the prior year was in the area of employee benefits due to increases in health insurance premiums. This was offset by decreases in instruction and instructional media expenditures as described on page 10.

The following is a summary of the District's general fund restricted fund balance activity:

	Balance @ June 30, 2021	Use of Reserves	Interest	Funding	Balance @ June 30, 2022
Workers' compensation	\$ 1,077,729	\$ (200,000)	\$ 324	\$ 200,000	\$ 1,078,053
Unemployment insurance	1,183,727	(3,000)	355	3,000	1,184,082
Retirement contribution					
TRS	1,176,316		353	700,000	1,876,669
ERS	6,123,762	(700,000)	1,837	700,000	6,125,599
EBALR	4,077,662	(155,914)	1,223	500,000	4,422,971
Capital					
Reserve II	2,611,920	(2,511,920)	454	1,813,596	1,914,050
Reserve III	4,276,722	(2,200,000)	647	795,129	2,872,498
Reserve IV	2,956,662	(2,856,662)	5,695	2,500,000	2,605,695
	<u>\$ 23,484,500</u>	<u>\$ (8,627,496)</u>	<u>\$ 10,888</u>	<u>\$ 7,211,725</u>	<u>\$ 22,079,617</u>

Additional detail regarding capital reserves can be found in Note 19 "Restricted for Capital Reserve."

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

**B. Special Aid Fund**

The net change in the special aid fund – fund balance is an increase of \$518,438, which is the result of revenue recognized for reimbursement of expenditures related to the relief programs under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, for which the funding was not approved until after June 30, 2021.

**C. School Food Service Fund**

The school food service fund - fund balance net increase can be attributed to greater state and federal reimbursements, the result of an Executive Order granting school districts waivers which authorized the distribution of free meals to all students regardless of their eligibility status. The District also met eligibility requirements to receive \$84,554 of supply chain assistance and emergency operational cost funds during the current year.

**D. Debt Service Fund**

The net change in the debt service fund – fund balance is a decrease of \$81,119, which is the result of the transfer to the general fund upon retirement of bonded debt.

**E. Capital Projects Fund**

The capital projects fund – fund balance net increase is the result of general fund budgeted transfers and the voter approved transfer of capital reserve funds exceeding capital expenditures.

The following is a summary of the District’s capital projects fund restricted fund balance activity:

	Balance @ June 30, 2021	Use of Reserves	Funding	Balance @ June 30, 2022
Reserve I	\$ 14,378	\$ (14,378)	\$	\$ -
Reserve II	6,047,714	(3,927,060)	2,511,920	4,632,574
Reserve III	3,347,074	(923,721)	2,200,000	4,623,353
Reserve IV	8,265,798		2,856,662	11,122,460
	<u>\$ 17,674,964</u>	<u>\$ (4,865,159)</u>	<u>\$ 7,568,582</u>	<u>\$ 20,378,387</u>

**F. Extraclassroom Activities Fund**

The extraclassroom activities fund – fund balance net increase is attributable to cash receipts from collections for student clubs activities exceeding disbursements related to those activities.

**G. Scholarships Fund**

The scholarships fund – fund balance net decrease is the result of scholarships awarded exceeding scholarship donations and interest.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2021-2022 Budget**

The District’s general fund adopted budget for the year ended June 30, 2022 was \$97,640,675. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,176,266 and budget revisions of \$7,601,414 for a total final budget of \$106,418,355.



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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The final budget amount was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$69,152,344 in estimated property taxes, PILOT and STAR receipts, and \$20,859,177 in estimated state aid.

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

The general fund's unassigned fund balance is the component of total fund balance that is the residual of current and prior years' excess revenues over expenditures, net of transfers to reserves, appropriations to fund the subsequent year's budget and encumbrances. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 3,905,627
Revenues Over Budget	549,833
Expenditures and Encumbrances Under Budget	10,086,560
Unused Appropriated Reserves	(191,086)
Allocation to Reserves	(7,222,613)
Appropriated to Fund the June 30, 2023 Budget	<u>(3,205,726)</u>
Closing, Unassigned Fund Balance	<u>\$ 3,922,595</u>

Opening, Unassigned Fund Balance

The \$3,905,627 shown in the table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned.

Revenues Over Budget

The 2021-2022 final budget for revenues was \$93,131,353. Actual revenues and other financing sources recognized for the year were \$93,681,186. Actual revenues and other financing sources were more than estimated or budgeted revenues by \$549,833. This change contributes directly to the change to the general fund unassigned fund balance from June 30, 2021 to June 30, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2021-2022 final budget for expenditures and other financing uses, including prior year encumbrances and current budget revisions, was \$106,418,355. Actual expenditures and other financing uses, as of June 30, 2022 were \$95,195,785 and outstanding encumbrances were \$1,136,010. Combined, the expenditures and other financing uses, plus encumbrances for 2021-2022 were \$96,331,795. The final budget variance was \$10,086,560, which contributes directly to the change to the unassigned portion of the general fund - fund balance from June 30, 2021 to June 30, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

Unused Appropriated Reserves

In the 2021-2022 budget, \$1,250,000 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, \$191,086 of this funding was not needed and, therefore, it was returned to the reserves and is available for future use.

Allocation to Reserves

Monies transferred from budget lines within the general fund operating budget into required restricted fund balances do not affect the combined restricted, assigned and unassigned fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. of this Management's Discussion and Analysis details the allocation of interest earnings and funding transfers to the reserves.

Appropriated Fund Balance

The District has chosen to use \$3,205,726 of the available June 30, 2022 unassigned fund balance to partially fund the 2022-2023 approved operating budget. As such, the June 30, 2022 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the unassigned fund balance at June 30, 2022 was \$3,922,595. This amount is 4% of the 2021-2022 budget, which is equal to the statutory limit.

**6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES**

**A. Capital Assets**

At June 30, 2022, the District had invested in a broad range of capital assets, as indicated in the following table. The net increase in capital assets is due to capital additions of \$7,447,719 in excess of depreciation/amortization expense of \$4,928,209 recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2022 and 2021 is as follows:

	<u>June 30, 2022</u>	<u>As Restated June 30, 2021</u>	<u>Increase (Decrease)</u>
Land	\$ 819,000	\$ 819,000	\$ -
Construction in progress	5,289,413	5,584,659	(295,246)
Buildings and improvements	65,500,525	61,832,818	3,667,707
Furniture and equipment	9,114,513	9,790,827	(676,314)
Leased buildings	439,419	488,243	(48,824)
Leased equipment and fixtures	<u>293,700</u>	<u>421,513</u>	<u>(127,813)</u>
Capital assets, net	<u>\$ 81,456,570</u>	<u>\$ 78,937,060</u>	<u>\$ 2,519,510</u>

The District implemented GASB Statement No. 87 during the June 30, 2022 year; the June 30, 2021 balances have been restated to reflect the addition of leased buildings, equipment and fixtures.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**B. Debt Administration**

At June 30, 2022, the District had combined total debt of \$4,372,834. The decreases in outstanding debt represent principal payments made throughout the year. A summary of the outstanding debt at June 30, 2022 and 2021 is as follows:

Issue/ Commencement Date	Interest Rate	June 30, 2022	As Restated June 30, 2021	Increase (Decrease)
<b>Bonds Payable</b>				
August 2012	2.00-4.00%	\$ -	\$ 1,200,000	\$ (1,200,000)
<b>Energy Performance Contract</b>				
July 2014	2.75%	\$ 3,637,557	\$ 4,068,670	\$ (431,113)
<b>Lease Liabilities</b>				
7/1/2011	1.059%	\$ 444,286	\$ 488,244	\$ (43,958)
1/1/2018	0.514%	18,069	54,083	(36,014)
4/1/2018	1.059%	8,174	10,173	(1,999)
4/27/2018	0.514%	23,864	52,388	(28,524)
7/1/2021	1.059%	240,884	304,868	(63,984)
		<u>\$ 735,277</u>	<u>\$ 909,756</u>	<u>\$ (174,479)</u>

The District implemented GASB Statement No. 87 during the June 30, 2022 year; the June 30, 2021 balances have been restated to reflect the addition of lease liabilities.

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

**C. Other Long-Term Liabilities**

Included in the District's long-term liabilities are the estimated amounts due for compensated absences and early retirement annuities, which are based on employment contracts, and workers' compensation liability, net pension liability – proportionate share and total other postemployment benefits liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2022 and 2021 is as follows:

	June 30, 2022	June 30, 2021	Increase (Decrease)
Compensated absences payable	\$ 4,451,362	\$ 4,139,254	\$ 312,108
Early retirement annuities	20,000	30,000	(10,000)
Workers' compensation liabilities	2,171,164	2,117,266	53,898
Net pension liabilities - proportionate share	-	6,476,045	(6,476,045)
Total OPEB liability	<u>88,904,341</u>	<u>106,880,444</u>	<u>(17,976,103)</u>
	<u>\$ 95,546,867</u>	<u>\$ 119,643,009</u>	<u>\$ (24,096,142)</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**A. Subsequent Year's Budget**

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 17, 2022, for the year ending June 30, 2023, is \$98,064,926. This is an increase of \$424,251 or 0.43% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a \$510,679 increase over the prior year's estimate, which is principally due to estimated increases in state sources. The assigned, appropriated fund balance applied to the budget in the amount of \$3,205,726 is an \$86,428 decrease from the previous year. Additionally, the District has elected to appropriate \$1,250,000 of reserves towards the next year's budget, which is equal to the previous year. There is no increase to the property tax levy.

**B. Future Budgets**

Dwindling state and federal support of initiatives established during the pandemic, the continued need for additional resources to close learning gaps, fluctuating rates in this inflationary environment, and increases in charges of fuel, goods, and borrowing costs may impact the District's future budgets.

**C. Tax Cap**

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's 2022-2023 property tax increase of 0.0%, which was less the tax cap of 2.16% and did not require an override vote.

**8. CONTACTING THE DISTRICT**

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Requests for additional information can be directed to:

Dr. Edward A. Salina, Jr.  
Superintendent of Schools  
Plainedge Union Free School District  
241 Wyngate Drive  
North Massapequa, New York 11758

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Net Position**  
June 30, 2022

<b>ASSETS</b>	
Cash	
Unrestricted	\$ 13,847,547
Restricted	42,469,945
Receivables	
Taxes receivable	917,210
Due from state and federal	1,927,774
Due from other governments	2,014,556
Inventory	33,831
Capital assets not being depreciated/amortized	6,108,413
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization	75,348,157
Net pension assets - proportionate share	43,659,808
	<hr/>
Total Assets	186,327,241
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	28,478,509
Other postemployment benefits	22,167,746
	<hr/>
Total Deferred Outflows of Resources	50,646,255
	<hr/>
<b>LIABILITIES</b>	
Payables	
Accounts payable	2,242,077
Accrued liabilities	394,113
Due to other governments	893
Due to teachers' retirement system	4,358,091
Due to employees' retirement system	233,835
Compensated absences payable	188,264
Other liabilities	39,024
Unearned credits	
Collections in advance	165,697
Long-term liabilities	
Due and payable within one year	
Energy performance contract payable	443,050
Lease liabilities	151,218
Compensated absences payable	220,000
Early retirement annuities payable	10,000
Workers' compensation liabilities	100,000
Due and payable after one year	
Energy performance contract payable	3,194,507
Lease liabilities	584,059
Compensated absences payable	4,231,362
Early retirement annuities payable	10,000
Workers' compensation liabilities	2,071,164
Total other postemployment benefits liability	88,904,341
	<hr/>
Total Liabilities	107,541,695
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	53,739,832
Other postemployment benefits	47,216,870
	<hr/>
Total Deferred Inflows of Resources	100,956,702
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	77,083,736
	<hr/>
Restricted	
Workers' compensation	1,078,053
Unemployment insurance	1,184,082
Retirement contribution	
Teachers' retirement system	1,876,669
Employees' retirement system	6,125,599
Employee benefit accrued liability	4,422,971
Capital	27,770,630
Scholarships	11,941
	<hr/>
	42,469,945
	<hr/>
Unrestricted (Deficit)	(91,078,582)
	<hr/>
Total Net Position	\$ 28,475,099
	<hr/>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Activities**  
For the Year Ended June 30, 2022

		Program Revenues		Net (Expense)
Expenses		Charges for Services	Operating Grants & Contributions	Revenue and Changes in Net Position
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities:</b>				
General support	\$ 11,843,198	\$	\$	\$ (11,843,198)
Instruction	68,998,161	2,587,912	3,658,236	(62,752,013)
Pupil transportation	2,895,025			(2,895,025)
Community services	655,567			(655,567)
Debt service - interest	120,680			(120,680)
Food service program	979,007	200,911	1,194,650	416,554
	<b>\$ 85,491,638</b>	<b>\$ 2,788,823</b>	<b>\$ 4,852,886</b>	<b>(77,849,929)</b>
 <b>GENERAL REVENUES</b>				
Real property taxes				59,918,271
Other tax items				9,094,387
Use of money and property				55,554
Sale of property and compensation for loss				4,899
Miscellaneous				666,383
State sources				21,390,453
Medicaid reimbursement				62,824
Total General Revenues				91,192,771
Change in Net Position				13,342,842
Total Net Position - Beginning of Year				15,132,257
Total Net Position - End of Year				\$ 28,475,099

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
June 30, 2022

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extracurricular Activities	Scholarships	Total Governmental Funds
<b>ASSETS</b>								
Cash								
Unrestricted	\$ 10,640,850	\$ 268,493	\$ 532,973	\$	\$ 2,328,463	\$ 76,768	\$	\$ 13,847,547
Restricted	21,998,494			81,123	20,378,387		11,941	42,469,945
Receivables								
Taxes receivable	917,210							917,210
Due from other funds	1,281,520	45,419						1,326,939
Due from state and federal	400,304	1,304,014	223,456					1,927,774
Due from other governments	1,997,807	16,749						2,014,556
Inventory			33,831					33,831
Total Assets	<u>\$ 37,236,185</u>	<u>\$ 1,634,675</u>	<u>\$ 790,260</u>	<u>\$ 81,123</u>	<u>\$ 22,706,850</u>	<u>\$ 76,768</u>	<u>\$ 11,941</u>	<u>\$ 62,537,802</u>
<b>LIABILITIES</b>								
Payables								
Accounts payable	\$ 1,639,568	\$ 334,785	\$ 41,078	\$	\$ 226,646	\$	\$	\$ 2,242,077
Accrued liabilities	374,059	6,568	9,318					389,945
Due to other funds	45,419	1,199,484		81,123	913			1,326,939
Due to other governments					585	308		893
Due to teachers' retirement system	4,358,091							4,358,091
Due to employees' retirement system	233,835							233,835
Compensated absences payable	188,264							188,264
Other liabilities	39,024							39,024
Unearned credits								
Collections in advance	13,977	93,838	57,882					165,697
Total Liabilities	<u>6,892,237</u>	<u>1,634,675</u>	<u>108,278</u>	<u>81,123</u>	<u>228,144</u>	<u>308</u>	<u>-</u>	<u>8,944,765</u>
<b>FUND BALANCES</b>								
Nonspendable: Inventory			33,831					33,831
Restricted:								
Workers' compensation	1,078,053							1,078,053
Unemployment insurance	1,184,082							1,184,082
Retirement contribution								
Teachers' retirement system	1,876,669							1,876,669
Employees' retirement system	6,125,599							6,125,599
Employee benefit accrued liability	4,422,971							4,422,971
Capital	7,392,243				20,378,387			27,770,630
Scholarships							11,941	11,941
Assigned:								
Appropriated fund balance	3,205,726							3,205,726
Unappropriated fund balance	1,136,010		648,151		2,100,319	76,460		3,960,940
Unassigned: Fund balance	<u>3,922,595</u>							<u>3,922,595</u>
Total Fund Balances	<u>30,343,948</u>	<u>-</u>	<u>681,982</u>	<u>-</u>	<u>22,478,706</u>	<u>76,460</u>	<u>11,941</u>	<u>53,593,037</u>
Total Liabilities and Fund Balances	<u>\$ 37,236,185</u>	<u>\$ 1,634,675</u>	<u>\$ 790,260</u>	<u>\$ 81,123</u>	<u>\$ 22,706,850</u>	<u>\$ 76,768</u>	<u>\$ 11,941</u>	<u>\$ 62,537,802</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
June 30, 2022

Total Governmental Fund Balances \$ 53,593,037

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

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

Original cost of capital assets	\$ 123,078,365	
Less: Accumulated depreciation/amortization	<u>(41,621,795)</u>	
		81,456,570

Proportionate share of long-term assets, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or assets and are not reported in the funds.

Net pension asset - teachers' retirement system	41,647,945	
Net pension asset - employees' retirement system	2,011,863	
Deferred outflows of resources	28,478,509	
Deferred inflows of resources	<u>(53,739,832)</u>	
		18,398,485

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	22,167,746	
Total other postemployment benefits liability	(88,904,341)	
Deferred inflows of resources	<u>(47,216,870)</u>	
		(113,953,465)

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

Accrued interest on bonds payable	(4,168)	
Energy performance contract payable	(3,637,557)	
Lease liabilities	(735,277)	
Compensated absences payable	(4,451,362)	
Early retirement annuities payable	(20,000)	
Workers' compensation payable	<u>(2,171,164)</u>	
		(11,019,528)

Total Net Position \$ 28,475,099



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
For the Year Ended June 30, 2022

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extracurricular Activities	Scholarships	Total Governmental Funds
<b>REVENUES</b>								
Real property taxes	\$ 59,918,271	\$	\$	\$	\$	\$	\$	\$ 59,918,271
Other tax items	9,094,387							9,094,387
Charges for services	2,407,296							2,407,296
Use of money and property	55,550			4		89	4	55,647
Sale of property and compensation for loss	4,899							4,899
Miscellaneous	666,383					180,527	1,000	847,910
State sources	21,390,453	641,073	13,798					22,045,324
Medicaid reimbursement	62,824							62,824
Federal sources		3,016,159	1,180,852					4,197,011
Sales			200,911					200,911
<b>Total Revenues</b>	<b>93,600,063</b>	<b>3,657,232</b>	<b>1,395,561</b>	<b>4</b>	<b>-</b>	<b>180,616</b>	<b>1,004</b>	<b>98,834,480</b>
<b>EXPENDITURES</b>								
General support	10,517,258							10,517,258
Instruction	50,786,362	3,344,734				178,463	1,817	54,311,376
Pupil transportation	2,486,515							2,486,515
Community services	514,418							514,418
Employee benefits	18,936,870							18,936,870
Debt service								
Principal	174,479			1,631,113				1,805,592
Interest	7,890			132,944				140,834
Food service program			1,017,107					1,017,107
Capital outlay					5,642,517			5,642,517
<b>Total Expenditures</b>	<b>83,423,792</b>	<b>3,344,734</b>	<b>1,017,107</b>	<b>1,764,057</b>	<b>5,642,517</b>	<b>178,463</b>	<b>1,817</b>	<b>95,372,487</b>
Excess (Deficiency) of Revenues Over Expenditures	10,176,271	312,498	378,454	(1,764,053)	(5,642,517)	2,153	(813)	3,461,993
<b>OTHER FINANCING SOURCES AND USES</b>								
Operating transfers in	81,123	205,940	4,343	1,764,057	9,797,653			11,853,116
Operating transfers (out)	(11,771,993)			(81,123)				(11,853,116)
<b>Total Other Sources (Uses)</b>	<b>(11,690,870)</b>	<b>205,940</b>	<b>4,343</b>	<b>1,682,934</b>	<b>9,797,653</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,514,599)</b>	<b>518,438</b>	<b>382,797</b>	<b>(81,119)</b>	<b>4,155,136</b>	<b>2,153</b>	<b>(813)</b>	<b>3,461,993</b>
Fund Balances - Beginning of Year	31,858,547	(518,438)	299,185	81,119	18,323,570	74,307	12,754	50,131,044
Fund Balances - End of Year	\$ 30,343,948	\$ -	\$ 681,982	\$ -	\$ 22,478,706	\$ 76,460	\$ 11,941	\$ 53,593,037

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
For the Year Ended June 30, 2022

Net Change in Fund Balances \$ 3,461,993

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

Long-Term Revenue and Expense Differences

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in compensated absences liability	\$	(312,108)
Increase in workers' compensation payable		(53,898)

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.

Decrease in early retirement annuities payable	10,000	
		(356,006)

Capital Related Differences

Capital outlays to build, acquire, and lease capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation/amortization expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/amortization expense in the period.

Capital outlays and other additions	7,447,719	
Depreciation/amortization expense	(4,928,209)	
		2,519,510

Long-Term Debt Transaction Differences

Amortization of bond premiums and deferred charges from advance refunding of bonds do not affect the governmental funds, but are recorded in the Statement of Activities.

Amortization of bond premiums	14,217	
Amortization of deferred charges	(7,390)	

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

Repayment of bond principal	1,200,000	
Repayment of energy performance contract payable	431,113	
Repayment of lease liabilities	174,479	

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2021 to June 30, 2022.

	13,327	
		1,825,746

Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Teachers' retirement system	6,361,528	
Employees' retirement system	845,984	
Other postemployment benefits	(1,315,913)	
		5,891,599

Change in Net Position of Governmental Activities		\$ 13,342,842
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**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
June 30, 2022

	Custodial
<b>ASSETS</b>	
Cash and cash equivalents	\$ -
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	\$ -

**Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
For the Year Ended June 30, 2022

	Custodial
<b>ADDITIONS</b>	
Real property taxes collected for the Library	\$ 2,663,991
<b>DEDUCTIONS</b>	
Disbursements of real property taxes to the Library	2,663,991
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

**B. Joint Venture**

The District is a component district in the Board of Cooperative Educational Services of Nassau (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law. A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**C. Basis of Presentation**

District-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and 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. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including real property taxes and state aid, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund type, governmental and fiduciary, are presented. The District's financial statements present the following fund types:

***Governmental Funds*** - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

***General Fund*** - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

***Special Aid Fund*** - is used to account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

***School Food Service Fund*** - is used to account for the activities of the food service program.

***Debt Service Fund*** - accounts for the accumulation of resources for, and the payment of, principal and interest on long-term general obligation debt of governmental activities.

***Capital Projects Fund*** - is used to account for the financial resources used for acquisition, construction, renovation or major repair of capital facilities and other capital assets.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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***Extraclassroom Activities Fund*** – is used to account for the funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements of the extraclassroom activity funds can be found at the District’s Business Office.

***Scholarships Fund*** – is used to account for funds collected that benefit annual third-party awards and scholarships for students.

***Fiduciary Funds*** – are used to account for activities in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used to finance district operations. The following is the District’s fiduciary fund:

***Custodial Fund*** – is used to account for real property taxes collected on behalf of other governments and disbursed to those governments.

**D. Measurement Focus and Basis of Accounting**

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

**E. Real Property Taxes and Other Tax Items**

Calendar

Real property taxes are levied annually by the Board of Education in August and become a lien on October 1<sup>st</sup> and April 1<sup>st</sup>. Taxes are collected by the Town of Oyster Bay (Town) and remitted to the District from December to June.

Enforcement

Uncollected real property taxes are subsequently enforced by the County of Nassau in June.

School Tax Relief (STAR) Aid

New York State implemented the STAR program with the enactment of Chapter 389 of the Laws of 1997 to reduce the school property tax burden on residential homeowners. A school district's annual property tax levy as adopted is reduced by the total amount of the STAR exemptions granted to homeowners. School districts are reimbursed for this loss in property tax revenues by the state with STAR aid, which is reported as other tax items revenues.

**F. Payments in Lieu of Taxes (PILOT)**

The District reports PILOT revenues in the general fund as part of other tax items revenues. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the Town and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected payments to the District.

The District's PILOT revenues include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$1,190,571 in LIPA PILOT revenue during the 2021-2022 fiscal year.

**G. Restricted Resources**

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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**F. Interfund Transactions**

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

In the district-wide statements, 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.

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

**G. Use of Estimates**

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

**H. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

**I. Receivables**

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

**J. Inventory**

Inventory of food in the school food service fund are recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. This inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the inventory is consumed.



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

**K. Capital Assets**

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

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

	Capitalization Threshold	Estimated Useful Life
Land improvements	\$ 25,000	50 years
Buildings and improvements	50,000	15-25 years
Furniture and equipment	2,000	5-20 years
Leased building	0	10 years
Leased equipment and fixtures	0	5 years

**L. Deferred Outflows of Resources**

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions and consists of the District's proportionate share of changes in the collective net pension assets or liabilities not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The second item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB.

**M. Short-Term Debt**

The District may issue 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 TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through and including 2022. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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No short-term debt was issued during the year ended June 30, 2022.

**N. Collections in Advance**

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as summer program and health plan fees in the general fund, grant proceeds in the special aid fund, and prepaid lunch monies in the school food service fund. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

**O. Employee Benefits – Compensated Absences**

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

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

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. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination or death.

Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

The liability for compensated absences has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30<sup>th</sup>.

**P. Other Benefits**

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

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

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

In prior years, the District offered early retirement incentives to eligible employees. The incentive provided for annual annuity payments in the amount of \$10,000 for ten years starting eight years after retirement. The District records the expenditure as the payments become due. For 2022, the expenditure was \$10,000. The amount outstanding of \$20,000 will be paid in full through fiscal year ending 2024.

**Q. Long-Term Debt**

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest is in the general fund and debt service fund.

**R. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position and represents the change in the total other postemployment benefits liability not included in OPEB expense.

**S. Equity Classifications**

District-Wide Statements

In the district-wide statements there are three classes of net position:

*Net investment in capital assets* – Consists of net capital assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisitions, construction, and improvements of those assets.

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

*Unrestricted* – Reports the balance of net position that does not meet the definition of the above two classifications.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

*Nonspendable* – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory, which is recorded in the school food service fund.

*Restricted* – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

*Workers' Compensation Reserve*

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

*Unemployment Insurance Reserve*

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

*Retirement Contribution Reserve*

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. The Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a 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.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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*Employee Benefit Accrued Liability Reserve*

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefit primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation time due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

*Capital Reserve*

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. These reserves are accounted for in the general fund and capital projects fund.

*Restricted for Debt*

Unexpended balances of proceeds of borrowings for capital projects; interest and earnings from investing proceeds of obligations, and premium and accrued interest are recorded in the debt service fund and held until appropriated for debt payments. These restricted funds are accounted for in the debt service fund.

*Restricted for Scholarships*

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

*Assigned* – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

*Unassigned* – Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending of available resources. NYS Real Property Tax Law §1318, restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the subsequent year's budget.

Fund Balance Classification

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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

**2. CHANGES IN ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*, which provides guidance for identifying certain leased assets and liabilities for leases that were previously classified as operating leases, and recognized as inflows or outflows of resources based on payment provisions of the contract.

**3. FUTURE ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB statements issued, but the statement that the District feels may have a future impact on these financial statements. The District will evaluate the impact of this pronouncement and implement it, as applicable, if material.

<b>Effective for the Year Ending</b>	<b>Statement</b>
June 30, 2023	GASB No. 96 - <i>Subscription Based Information Technology Agreements</i>

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

**4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE DISTRICT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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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 current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences and workers’ compensation benefits.

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District’s proportionate share of the collective pension expense of the plan.

Other postemployment benefit differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and other postemployment benefit costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

**5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets**

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

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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. 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. The following supplemental appropriations occurred during the year:

Transfer to capital projects fund for school improvements funded by capital reserve fund II and IV as approved by voters on May 17, 2022	\$ 5,368,582
Transfer to capital projects fund for school improvements funded by capital reserve fund III as approved by voters on May 17, 2022	2,200,000
Instructional expenditures funded by gifts and donations	<u>32,832</u>
	<u>\$ 7,601,414</u>

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**B. Encumbrances**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, 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.

**6. DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the District's behalf at year-end.

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

**7. PARTICIPATION IN BOCES**

During the year ended June 30, 2022, the District was billed \$3,851,411 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,287,003. Financial statements for the BOCES are available from the BOCES administrative offices at Nassau BOCES Administrative Center, 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

**8. DUE FROM STATE AND FEDERAL**

Due from state and federal at June 30, 2022 consisted of:

General Fund	
New York State excess cost aid	\$ 395,627
Medicaid	4,677
	400,304
Special Aid Fund	
Federal and state grants	1,304,014
School Food Service Fund	
Federal and state food service program reimbursements	223,456
	\$ 1,927,774

District management expects these amounts to be fully collectible.

**9. DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2022 consisted of:

General Fund	
BOCES aid	\$ 1,390,932
Other districts - charges for services	606,875
	1,997,807
Special Aid	
Other districts - charges for services	16,749
	\$ 2,014,556

District management expects these amounts to be fully collectible.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**10. CAPITAL ASSETS**

**A. Changes**

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, which resulted in the inclusion of leased buildings, equipment and fixtures as capital assets. As a result, capital assets at June 30, 2021, were increased \$909,756. Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	As Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Governmental activities				
Capital assets not being depreciated/amortized:				
Land	\$ 819,000	\$	\$	\$ 819,000
Construction in progress	5,584,659	5,642,517	(5,937,763)	5,289,413
Total capital assets not being depreciated/amortized	<u>6,403,659</u>	<u>5,642,517</u>	<u>(5,937,763)</u>	<u>6,108,413</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	91,832,702	6,408,838		98,241,540
Furniture and equipment	17,425,684	1,334,127	(941,155)	17,818,656
Leased buildings	488,243			488,243
Leased equipment and fixtures	421,513			421,513
Total capital assets being depreciated/amortized	<u>110,168,142</u>	<u>7,742,965</u>	<u>(941,155)</u>	<u>116,969,952</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	29,999,884	2,741,131		32,741,015
Furniture and equipment	7,634,857	2,010,441	(941,155)	8,704,143
Leased buildings		48,824		48,824
Leased equipment and fixtures		127,813		127,813
Total accumulated depreciation/amortization	<u>37,634,741</u>	<u>4,928,209</u>	<u>(941,155)</u>	<u>41,621,795</u>
Total capital assets being depreciated/amortized, net	<u>72,533,401</u>	<u>2,814,756</u>	<u>-</u>	<u>75,348,157</u>
Capital assets, net	<u>\$ 78,937,060</u>	<u>\$ 8,457,273</u>	<u>\$ (5,937,763)</u>	<u>\$ 81,456,570</u>

Depreciation/amortization expense was charged to governmental functions as follows:

General support	\$ 419,791
Instruction	4,321,656
Pupil transportation	149,816
Community service	<u>36,946</u>
Total depreciation/amortization expense	<u>\$ 4,928,209</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**B. Lease Liabilities**

The District has entered into various lease arrangements that are subject to GASB Statement No. 87. The terms of these leases vary between five and ten years with discount rates ranging from 0.514% to 1.059%. These leases are included in leased buildings, and leased equipment and fixtures in the previous table. The District has not provided any residual value guarantees related to these leased capital assets.

**C. Impairment Losses**

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2022, the District has not recorded any such impairment losses.

**11. INTERFUND TRANSACTIONS**

Interfund balances and activities at June 30, 2022 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 1,281,520	\$ 45,419	\$ 81,123	\$ 11,771,993
Special Aid Fund	45,419	1,199,484	205,940	
School Food Service Fund			4,343	
Debt Service Fund		81,123	1,764,057	81,123
Capital Projects Fund		913	9,797,653	
	\$ 1,326,939	\$ 1,326,939	\$ 11,853,116	\$ 11,853,116

The District typically transfers from the general fund to the special aid fund to fund the District's required 20% share of the July/August program for students with disabilities and the state supported Section 4201 schools. The District transfers to the school food service fund for the uncollectible meal sales balance. The District transfers from the general fund to the debt service fund to pay for its long-term debt service obligations. The transfer from the debt service fund to the general fund was to liquidate the remaining fund balance upon the retirement of all bonded debt. Transfers from the general fund to the capital projects fund in the amount of \$7,568,582 were in accordance with Propositions 2 and 3 approved by the voters of the District on May 17, 2022 in addition to an originally budgeted transfer of \$2,229,071.

**12. LONG-TERM LIABILITIES**

**A. Changes**

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, which resulted in the inclusion of lease liabilities. Long-term liabilities at June 30, 2021, were increased \$909,756. Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	As Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 1,200,000	\$	\$ (1,200,000)	\$ -	\$
Premium on refunding	14,217		(14,217)	-	
	1,214,217	-	(1,214,217)		
Energy performance contract	4,068,670		(431,113)	3,637,557	443,050
Lease liabilities	909,756		(174,479)	735,277	151,218
	6,192,643	-	(1,819,809)	4,372,834	594,268
Other long-term liabilities:					
Compensated absences payable	4,139,254	312,108		4,451,362	220,000
Early retirement annuities	30,000		(10,000)	20,000	10,000
Workers' compensation liabilities	2,117,266	580,397	(526,499)	2,171,164	100,000
	<u>\$ 12,479,163</u>	<u>\$ 892,505</u>	<u>\$ (2,356,308)</u>	<u>\$ 11,015,360</u>	<u>\$ 924,268</u>

The general fund has typically been used to liquidate other long-term liabilities.

**B. Energy Performance Contract**

The energy performance contract payable is composed of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
District Improvements	July 2014	December 2029	2.75%	<u>\$ 3,637,557</u>

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 443,050	\$ 97,007	\$ 540,057
2024	455,317	84,740	540,057
2025	467,925	72,132	540,057
2026	480,881	59,176	540,057
2027	494,196	45,861	540,057
2028-2030	1,296,188	53,955	1,350,143
Total	<u>\$ 3,637,557</u>	<u>\$ 412,871</u>	<u>\$ 4,050,428</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**C. Lease Liabilities**

Lease liabilities are comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
Bus Garage	7/1/2011	6/30/2031	1.059%	\$ 444,286
Hand-held Radios / GPS Units	1/1/2018	12/31/2022	0.514%	18,069
Mail Machine	4/1/2018	6/30/2026	1.059%	8,174
Hand-held Radios	4/27/2018	4/26/2023	0.514%	23,864
Extreme Networks	7/1/2021	6/30/2026	1.059%	240,884
				<u>\$ 735,277</u>

The following is a summary of debt service requirements for lease liabilities:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 151,218	\$ 6,896	\$ 158,114
2024	107,364	5,665	113,029
2025	109,521	4,518	114,039
2026	111,720	3,347	115,067
2027	50,015	2,463	52,478
2028 - 2031	205,439	4,473	209,912
Total	<u>\$ 735,277</u>	<u>\$ 27,362</u>	<u>\$ 762,639</u>

There were no variable payments or other payments made for leases included above. There were no additional lease commitments entered into by the District after June 30, 2022.

**D. Interest Expense**

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

Interest paid	\$ 140,834
Less interest accrued in the prior year	(17,495)
Plus interest accrued in the current year	4,168
Less amortization of deferred amounts on refunding	<u>(6,827)</u>
Total interest expense on long-term debt	<u>\$ 120,680</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**13. PENSION PLANS – NEW YORK STATE**

**A. General Information**

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer, defined benefit, public employee retirement systems. The systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

**B. Provisions and Administration**

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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 the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at [www.nystrs.org](http://www.nystrs.org) or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**C. Funding Policies**

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30<sup>th</sup>, and employer contributions are deducted from state aid in the subsequent months of September, October, and November. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by the prior February 1<sup>st</sup>. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 9.53% of covered payroll for the TRS' fiscal year ended June 30, 2021. The District's average contribution rate was 14.80% of covered payroll for the ERS' fiscal year ended March 31, 2022.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2022 was \$ 4,030,770 for TRS at the contribution rate of 9.80% and \$1,056,082 for ERS at an average contribution rate of 13.62%.

**D. Pension Asset/(Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related Pensions**

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2021 for TRS and March 31, 2022 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	TRS	ERS	
Measurement date	June 30, 2021	March 31, 2022	
District's proportionate share of the net pension asset/(liability)	\$ 41,647,945	\$ 2,011,863	
District's portion of the Plan's total net pension asset/(liability)	0.240336%	0.0246112%	
Change in proportion since the prior measurement date	0.006812	0.0013565	

For the year ended June 30, 2022, the District recognized a pension expense (credit) of \$(2,330,758) for TRS and \$210,099 for ERS. At June 30, 2022, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 5,740,727	\$ 152,361	\$ 216,379	\$ 197,621
Changes of assumptions	13,698,880	3,357,573	2,425,870	56,655
Net difference between projected and actual earnings on pension plan investments			43,588,884	6,588,007
Changes in proportion and differences between the District's contributions and proportionate share of contributions	460,476	803,887	329,653	336,763
District contributions subsequent to the measurement date	<u>4,030,770</u>	<u>233,835</u>		
Total	<u>\$ 23,930,853</u>	<u>\$ 4,547,656</u>	<u>\$ 46,560,786</u>	<u>\$ 7,179,046</u>

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>TRS</u>	<u>ERS</u>
2023	\$ (5,318,858)	\$ (328,631)
2024	(6,253,287)	(606,513)
2025	(7,882,240)	(1,626,698)
2026	(10,494,404)	(303,383)
2027	1,930,609	
Thereafter	<u>1,357,477</u>	
	<u>\$ (26,660,703)</u>	<u>\$ (2,865,225)</u>



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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:

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
Actuarial valuation date	June 30, 2020	April 1, 2021
Inflation	2.40%	2.70%
Salary increases	1.95-5.18%	4.40%
Investment rate of return (net of investment expense, including inflation)	6.95%	5.90%
Cost of living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The previous actuarial valuation as of April 1, 2020, used the same assumptions for the measurement and total pension liability.

For TRS, the June 30, 2021 demographic actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. The June 30, 2020 demographic actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2021		March 31, 2022
Asset type				
Domestic equity	33.0%	6.80%	32.0%	3.30%
International equity	16.0%	7.60%	15.0%	5.85%
Global equity	4.0%	7.10%		
Real estate equity	11.0%	6.50%	9.0%	5.00%
Private equities	8.0%	10.00%	10.0%	6.50%
Alternatives investments			10.0%	3.78-5.58%
Domestic fixed income	16.0%	1.30%		
Global bonds	2.0%	0.80%		
High-yield bonds	1.0%	3.80%		
Fixed income			23.0%	0.00%
Private debt	1.0%	5.90%		
Real estate debt	7.0%	3.30%		
Cash equivalents	1.0%	(0.20)%		
Cash			1.0%	(1.00)%
	100.0%		100.0%	

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

Discount Rate

The discount rate used to measure the total pension liability was 6.95% for TRS and 5.90% for ERS (the discount rate used by the TRS at the prior year's measurement date of June 30, 2020, was 7.10%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, 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 (5.95% for TRS and 4.90% for ERS) or 1 percentage point higher (7.95% for TRS and 6.90% for ERS) than the current rate:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

TRS	1% Decrease 5.95 %	Current Assumption 6.95 %	1% Increase 7.95 %
District's proportionate share of the net pension asset/(liability)	\$ 4,370,345	\$ 41,647,945	\$ 72,977,063
ERS	1% Decrease 4.90 %	Current Assumption 5.90 %	1% Increase 6.90 %
District's proportionate share of the net pension asset/(liability)	\$ (5,178,512)	\$ 2,011,863	\$ 8,026,264

**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:

	TRS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2021	March 31, 2022
Employers' total pension liability	\$ (130,819,415)	\$ (223,874,888)
Plan fiduciary net position	<u>148,148,457</u>	<u>232,049,473</u>
Employers' net pension asset	<u>\$ 17,329,042</u>	<u>\$ 8,174,585</u>
Ratio of plan fiduciary net position to the employers' total pension liability	113.25%	103.65%

**Payables to the Pension Plan**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022, are paid to the system in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022, represent employer and employee contributions for the fiscal year ended June 30, 2022, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2022 amounted to \$4,030,770 of employer contributions and \$327,321 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2022, represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$233,835 of employer contributions. Employee contributions are remitted monthly.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**14. PENSION PLANS - OTHER**

**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 compensated absence payments based on collectively bargained agreements. For the year ended June 30, 2022, employer non-elective contributions were \$383,513 and employees' elective contributions were \$2,641,660.

**B. Deferred Compensation Plan**

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this plan. The amount deferred by eligible employees for the year ended June 30, 2022 totaled \$171,510.

**15. POSTEMPLOYMENT HEALTHCARE BENEFITS**

**A. General Information about the OPEB Plan**

*Plan Description* –The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided* – The District provides healthcare benefits and Medicare Part B coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

*Employees Covered by Benefit Terms* – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	338
Inactive employees entitled to but not yet receiving benefit payments	447
Active employees	785

**B. Total OPEB Liability**

The District's total OPEB liability of \$88,904,341 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020. Update procedure were used to roll forward the total OPEB liability to the measurement date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Inflation	2.60%
Discount rate	3.54%
Healthcare cost trend rates	5.30% decreasing to 4.10% over 55 years
Retirees' share of benefit-related costs	up to 50.00% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on Pub-2010 Mortality Table with generational projection of future improvements per the MP-2019 Ultimate Scale.

**C. Changes in the Total OPEB Liability**

Balance at June 30, 2021	<u>\$ 106,880,444</u>
Changes for the year	
Service cost	4,970,979
Interest on total OPEB liability	2,392,173
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(23,122,023)
Benefit payments	<u>(2,217,232)</u>
	<u>(17,976,103)</u>
Balance at June 30, 2022	<u><u>\$ 88,904,341</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

OPEB	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	<u>\$ (104,893,723)</u>	<u>\$ (88,904,341)</u>	<u>\$ (76,158,229)</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 (4.30%) or 1 percentage point higher (6.30%) than the current healthcare cost trend rate:

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	1% Decrease 4.30% decreasing to 3.10%	Healthcare Cost Trend Rates 5.30% decreasing to 4.10%	1% Increase 6.30% decreasing to 5.10%
<u>OPEB</u>			
Total OPEB liability	<u>\$ (76,418,629)</u>	<u>\$ (88,904,341)</u>	<u>\$ (105,293,219)</u>

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the District recognized OPEB expense of \$3,533,145. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 4,465,138	\$ 18,613,776
Changes of assumptions or other inputs	<u>17,702,608</u>	<u>28,603,094</u>
Total	<u>\$ 22,167,746</u>	<u>\$ 47,216,870</u>

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

Year Ending June 30,	Amount
2023	\$ (3,830,007)
2024	(3,830,007)
2025	(3,830,007)
2026	(3,460,924)
2027	(5,062,052)
Thereafter	<u>(5,036,127)</u>
	<u>\$ (25,049,124)</u>

**16. RISK MANAGEMENT**

**A. General Information**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**B. Risk Retention**

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 claims that were incurred but not reported (IBNR) as of year-end June 30, 2022. The liabilities are undiscounted.

	2021	2022
Unpaid claims at beginning of year	\$ 1,430,350	\$ 2,117,266
Incurred claims and claim adjustment expenses	1,030,816	580,397
Claims payments	(343,900)	(526,499)
Unpaid claims at year-end	\$ 2,117,266	\$ 2,171,164

At June 30, 2022, the District had \$1,078,053 of funds in the workers' compensation reserve.

**C. Public Entity Risk Pool**

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its 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 in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

**17. RESTRICTED FUND BALANCE - APPROPRIATED RESERVES**

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2022 restricted fund balances, to fund the budget for the year ending June 30, 2023:

Workers' compensation	\$ 200,000
Unemployment insurance	50,000
Retirement system contribution - ERS	700,000
Employee benefit accrued liability	300,000
	\$ 1,250,000

**18. ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$3,205,726 has been appropriated to reduce taxes for the year ending June 30, 2023.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**19. RESTRICTED FOR CAPITAL RESERVE**

The following is a summary of the District's restricted capital reserve activity since inception:

	Capital Reserve				Total
	I	II	III	IV	
Date Created	May 2009	May 2015	May 2018	May 2019	
Number of Years to Fund	10	10	15	15	
Maximum Funding	<u>\$ 10,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 25,000,000</u>	
<b>General Fund</b>					
Funding Provided	\$ 10,000,000	\$ 25,000,000	\$ 8,852,443	\$ 13,700,000	\$ 57,552,443
Interest Earnings	52,470	54,526	66,141	28,155	201,292
Transfer to Capital Fund	<u>(10,052,470)</u>	<u>(23,140,476)</u>	<u>(6,046,086)</u>	<u>(11,122,460)</u>	<u>(50,361,492)</u>
Total General Fund	<u>-</u>	<u>1,914,050</u>	<u>2,872,498</u>	<u>2,605,695</u>	<u>7,392,243</u>
<b>Capital Projects Fund</b>					
Transfer from General Fund	10,052,470	23,140,476	6,046,086	11,122,460	50,361,492
Use of Reserve	<u>(10,052,470)</u>	<u>(18,507,902)</u>	<u>(1,422,733)</u>		<u>(29,983,105)</u>
Total Capital Projects Fund	<u>-</u>	<u>4,632,574</u>	<u>4,623,353</u>	<u>11,122,460</u>	<u>20,378,387</u>
Balance as of June 30, 2022	<u>\$ -</u>	<u>\$ 6,546,624</u>	<u>\$ 7,495,851</u>	<u>\$ 13,728,155</u>	<u>\$ 27,770,630</u>

**20. COMMITMENTS AND CONTINGENCIES**

**A. Encumbrances**

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

Restricted:

Capital Projects Fund	
Capital projects	<u>\$ 8,856,606</u>

Assigned: Unappropriated Fund Balance:

General Fund	
General support	303,446
Instruction	479,256
Pupil transportation	352,116
Community services	1,192
	<u>1,136,010</u>
Capital Projects Fund	
Capital projects	<u>1,827,509</u>
	<u>\$ 11,820,125</u>



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**B. Grants**

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

**C. Litigation**

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes that the outcome of any matters will be covered by underlying insurance and not have a material effect on these financial statements.

**21. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 59,785,959	\$ 59,785,959	\$ 59,918,271	\$ 132,312
Other tax items	9,366,385	9,366,385	9,094,387	(271,998)
Charges for services	2,604,000	2,604,000	2,407,296	(196,704)
Use of money and property	70,000	70,000	55,550	(14,450)
Sale of property and compensation for loss	27,000	27,000	4,899	(22,101)
Miscellaneous	351,000	383,832	666,383	282,551
<b>Total Local Sources</b>	<b>72,204,344</b>	<b>72,237,176</b>	<b>72,146,786</b>	<b>(90,390)</b>
State Sources	20,859,177	20,859,177	21,390,453	531,276
Medicaid Reimbursement	35,000	35,000	62,824	27,824
<b>Total Revenues</b>	<b>93,098,521</b>	<b>93,131,353</b>	<b>93,600,063</b>	<b>468,710</b>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In			81,123	81,123
<b>Total Revenues and Other Sources</b>	<b>93,098,521</b>	<b>93,131,353</b>	<b>93,681,186</b>	<b>\$ 549,833</b>
<b>APPROPRIATED FUND BALANCE</b>				
Prior Years' Surplus	3,292,154	3,292,154		
Prior Year's Encumbrances	1,176,266	1,176,266		
Appropriated Reserves	1,250,000	8,818,582		
<b>Total Appropriated Fund Balance</b>	<b>5,718,420</b>	<b>13,287,002</b>		
<b>Total Revenues, Other Sources, and Appropriated Fund Balance</b>	<b>\$ 98,816,941</b>	<b>\$ 106,418,355</b>		

**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.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund (Continued)**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>EXPENDITURES</b>					
General Support					
Board of education	\$ 170,643	\$ 173,643	\$ 136,409	\$ 250	\$ 36,984
Central administration	364,267	370,267	352,700		17,567
Finance	1,014,749	1,013,278	924,850	34,165	54,263
Staff	627,705	632,176	538,391	600	93,185
Central services	8,543,850	8,624,540	7,668,593	268,431	687,516
Special items	897,596	921,290	896,315		24,975
Total General Support	<u>11,618,810</u>	<u>11,735,194</u>	<u>10,517,258</u>	<u>303,446</u>	<u>914,490</u>
Instruction					
Administration & improvement	3,696,010	3,742,720	3,449,023	1,831	291,866
Teaching - regular school	30,604,377	30,568,499	27,836,059	232,248	2,500,192
Programs for students with disabilities	13,550,852	13,550,852	11,641,679	22,894	1,886,279
Programs for English language learners	497,254	497,254	481,204		16,050
Occupational education	644,930	644,930	532,350		112,580
Teaching - special schools	381,732	384,732	52,804		331,928
Instructional media	2,938,500	2,877,810	2,421,671	209,284	246,855
Pupil services	4,704,382	4,717,382	4,371,572	12,999	332,811
Total Instruction	<u>57,018,037</u>	<u>56,984,179</u>	<u>50,786,362</u>	<u>479,256</u>	<u>5,718,561</u>
Pupil Transportation	<u>3,751,324</u>	<u>3,731,324</u>	<u>2,486,515</u>	<u>352,116</u>	<u>892,693</u>
Community Services	<u>771,356</u>	<u>765,356</u>	<u>514,418</u>	<u>1,192</u>	<u>249,746</u>
Employee Benefits	<u>21,469,285</u>	<u>21,213,904</u>	<u>18,936,870</u>		<u>2,277,034</u>
Debt Service					
Principal	-	174,479	174,479		-
Interest	40,000	40,000	7,890		32,110
Total Debt Service	<u>40,000</u>	<u>214,479</u>	<u>182,369</u>	<u>-</u>	<u>32,110</u>
Total Expenditures	<u>94,668,812</u>	<u>94,644,436</u>	<u>83,423,792</u>	<u>1,136,010</u>	<u>10,084,634</u>
<b>OTHER FINANCING USES</b>					
Operating Transfers Out	<u>4,148,129</u>	<u>11,773,919</u>	<u>11,771,993</u>		<u>1,926</u>
Total Expenditures and Other Financing Uses	<u>\$ 98,816,941</u>	<u>\$ 106,418,355</u>	<u>95,195,785</u>	<u>\$ 1,136,010</u>	<u>\$ 10,086,560</u>
Net Change in Fund Balance			(1,514,599)		
Fund Balance - Beginning of Year			<u>31,858,547</u>		
Fund Balance - End of Year			<u>\$ 30,343,948</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.

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)**  
 Last Eight Fiscal Years

*Teachers' Retirement System*

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.240336%	0.233524%	0.231976%	0.236386%	0.245387%	0.245340%	0.244660%	0.240278%
District's proportionate share of the net pension asset/(liability)	\$ 41,647,945	\$ (6,452,889)	\$ 6,026,756	\$ 4,274,474	\$ 1,865,186	\$ (2,627,696)	\$ 25,412,343	\$ 26,765,449
District's covered payroll	\$ 40,915,048	\$ 41,113,593	\$ 38,888,794	\$ 38,504,551	\$ 39,186,603	\$ 37,923,933	\$ 36,779,492	\$ 35,500,210
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	101.79 %	15.70 %	15.50 %	11.10 %	4.76 %	6.93 %	69.09 %	75.40 %
Plan fiduciary net position as a percentage of the total pension asset/(liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

*Employees' Retirement System*

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0246112%	0.0232547%	0.0235340%	0.0231653%	0.0239933%	0.0243598%	0.0253271%	0.0254307%
District's proportionate share of the net pension asset/(liability)	\$ 2,011,863	\$ (23,156)	\$ (6,231,948)	\$ (1,641,333)	\$ (774,372)	\$ (2,288,899)	\$ (4,065,070)	\$ (859,110)
District's covered payroll	\$ 7,748,005	\$ 7,339,688	\$ 7,294,685	\$ 7,109,737	\$ 6,933,250	\$ 7,042,828	\$ 6,968,359	\$ 6,984,136
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	25.97 %	0.32 %	85.43 %	23.09 %	11.17 %	32.50 %	58.34 %	12.30 %
Plan fiduciary net position as a percentage of the total pension asset/(liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

*An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.*

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of District Pension Contributions**  
 Last Ten Fiscal Years

*Teachers' Retirement System*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 4,030,770	\$ 3,889,204	\$ 3,525,769	\$ 4,129,990	\$ 3,773,446	\$ 4,516,967	\$ 4,985,480	\$ 6,502,819	\$ 5,754,364	\$ 3,974,383
Contributions in relation to the contractually required contribution	4,030,770	3,889,204	3,525,769	4,129,990	3,773,446	4,516,967	4,985,480	6,502,819	5,754,364	3,974,383
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 41,130,306	\$ 40,915,048	\$ 41,113,593	\$ 38,888,794	\$ 38,504,551	\$ 39,186,603	\$ 37,923,933	\$ 36,779,492	\$ 35,500,210	\$ 38,853,070
Contributions as a percentage of covered payroll	10%	10%	9%	11%	10%	12%	13%	18%	16%	10%

*Employees' Retirement System*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,056,082	\$ 1,055,025	\$ 1,047,800	\$ 971,176	\$ 1,039,262	\$ 1,058,025	\$ 1,192,590	\$ 1,293,171	\$ 1,176,551	\$ 1,105,565
Contributions in relation to the contractually required contribution	1,056,082	1,055,025	1,047,800	971,176	1,039,262	1,058,025	1,192,590	1,293,171	1,176,551	1,105,565
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,754,648	\$ 7,398,999	\$ 7,353,777	\$ 7,295,605	\$ 7,124,123	\$ 7,111,963	\$ 6,949,601	\$ 7,023,572	\$ 6,804,640	\$ 6,741,885
Contributions as a percentage of covered payroll	14%	14%	14%	13%	15%	15%	17%	18%	17%	16%

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
 Last Five Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 4,970,979	\$ 4,470,975	\$ 3,888,865	\$ 4,870,299	\$ 3,719,393
Interest on total OPEB liability	2,392,173	2,678,046	3,371,055	3,018,956	2,862,104
Changes in benefit terms	-	49,681	-	-	-
Differences between expected and actual experience	-	(24,869,457)	-	9,292,308	(487,139)
Changes of assumptions or other inputs	(23,122,023)	8,877,182	19,275,965	(18,183,850)	-
Benefit payments	(2,217,232)	(2,055,903)	(2,444,945)	(2,224,212)	(1,812,481)
Net change in total OPEB liability	(17,976,103)	(10,849,476)	24,090,940	(3,226,499)	4,281,877
Total OPEB liability, beginning	106,880,444	117,729,920	93,638,980	96,865,479	92,583,602
Total OPEB liability, ending	<u>\$ 88,904,341</u>	<u>\$ 106,880,444</u>	<u>\$ 117,729,920</u>	<u>\$ 93,638,980</u>	<u>\$ 96,865,479</u>
Covered employee payroll	\$ 43,518,567	\$ 43,518,567	\$ 41,405,088	\$ 41,405,088	\$ 42,477,512
Total OPEB liability as a percentage of covered employee payroll	204.29%	245.60%	284.34%	226.15%	228.04%
Discount rate	3.54%	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	5.3% to 4.1% over 55 years	5.3% to 4.1% over 55 years	6.1% to 4.1% over 57 years	6.1% to 4.1% over 57 years	7.5% to 4.5% by 2023

*An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.*

**Notes to Required Supplementary Information**

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

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedules of Change from Adopted Budget to Final Budget**  
**and the Real Property Tax Limit - General Fund**  
For the Year Ended June 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 97,640,675
Additions:		
Prior year's encumbrances		<u>1,176,266</u>
Original Budget		98,816,941
Budget Revisions		<u>7,601,414</u>
Final Budget		<u><u>\$ 106,418,355</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 voter-approved expenditure budget		<u><u>\$ 98,064,926</u></u>
Maximum allowed (4% of 2022-2023 budget)		<u><u>\$ 3,922,597</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 4,341,736	
Unassigned fund balance	<u>3,922,595</u>	
		\$ 8,264,331
Less:		
Appropriated fund balance	3,205,726	
Encumbrances	<u>1,136,010</u>	
Total adjustments		<u>4,341,736</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		<u><u>\$ 3,922,595</u></u>
Actual Percentage		4.00%

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources -**  
**Capital Projects Fund**  
For the Year Ended June 30, 2022

PROJECT TITLE	Budget June 30, 2021	Budget June 30, 2022	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2022	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Capital repair 19/20	\$ 500,000	\$ 500,000	\$ 351,394	\$ 148,387	\$ 499,781	\$ 219	\$	\$	\$ 500,000	\$ 500,000	\$ 219
Capital repair 20/21	500,000	500,000	-	329,659	329,659	170,341			500,000	500,000	170,341
Capital repair 21/22		2,229,071	-	299,312	299,312	1,929,759			2,229,071	2,229,071	1,929,759
Smart Schools Bond Act	748,290	1,494,558	1,494,558		1,494,558	-		1,494,558		1,494,558	-
Capital reserve projects approved May 2015											
From capital reserve I (5/09)											
High school roof replacement Science, Technology, Engineering Art and Math (STEAM)	1,969,846	1,969,846	1,969,846		1,969,846	-			1,969,846	1,969,846	-
Learning center - Eastplain	771,344	771,344	771,344		771,344	-			771,344	771,344	-
Learning center - Schwarting	722,222	722,222	722,222		722,222	-			722,222	722,222	-
Learning center - West	701,095	701,095	701,095		701,095	-			701,095	701,095	-
Smart boards	80,958	80,958	66,580	14,378	80,958	-			80,958	80,958	-
	<u>4,245,465</u>	<u>4,245,465</u>	<u>4,231,087</u>	<u>14,378</u>	<u>4,245,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,245,465</u>	<u>4,245,465</u>	<u>-</u>
Capital reserve projects approved May 2016											
From capital reserve I (5/09) and II (5/15)											
High school athletic field upgrades	4,957,319	4,957,319	4,957,319		4,957,319	-			4,957,319	4,957,319	-
John H. West roof replacement	1,137,651	1,137,651	1,137,651		1,137,651	-			1,137,651	1,137,651	-
Floor replacements district wide	87,513	87,071	87,071		87,071	-			87,071	87,071	-
Restroom upgrades district wide	137,517	137,517	137,517		137,517	-			137,517	137,517	-
Door replacements district wide	48,000	48,000	48,000		48,000	-			48,000	48,000	-
Smart boards district-wide	60,000	60,442	55,824	1,834	57,658	2,784			60,442	60,442	2,784
	<u>6,428,000</u>	<u>6,428,000</u>	<u>6,423,382</u>	<u>1,834</u>	<u>6,425,216</u>	<u>2,784</u>	<u>-</u>	<u>-</u>	<u>6,428,000</u>	<u>6,428,000</u>	<u>2,784</u>
Capital reserve projects approved May 2017											
From capital reserve I (5/09) and II (5/15)											
Outdoor restroom, concession	438,114	438,114	438,114		438,114	-			438,114	438,114	-
Baseball field	353,438	353,438	353,438		353,438	-			353,438	353,438	-
Field lighting	560,953	560,953	560,953		560,953	-			560,953	560,953	-
Bleacher storage	107,802	107,802	107,802		107,802	-			107,802	107,802	-
Restroom	160,984	160,984	160,984		160,984	-			160,984	160,984	-
Administration renovation	5,985	5,985	5,985		5,985	-			5,985	5,985	-
Schwarting roof	954,284	954,284	954,284		954,284	-			954,284	954,284	-
Eastplain outdoor restroom	234,135	234,135	234,135		234,135	-			234,135	234,135	-
Flooring district-wide	85,107	12,840	12,840		12,840	-			12,840	12,840	-
Smart boards district-wide	38,062	110,329	-	97,121	97,121	13,208			110,329	110,329	13,208
Door replacement district-wide	46,450	46,450	46,450		46,450	-			46,450	46,450	-
	<u>2,985,314</u>	<u>2,985,314</u>	<u>2,874,985</u>	<u>97,121</u>	<u>2,972,106</u>	<u>13,208</u>	<u>-</u>	<u>-</u>	<u>2,985,314</u>	<u>2,985,314</u>	<u>13,208</u>



**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources -**  
**Capital Projects Fund (Continued)**  
For the Year Ended June 30, 2022

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance
	June 30, 2021	June 30, 2022	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	June 30, 2022
Capital reserve projects approved May 2018											
From capital reserve II (5/15)											
Eastplain Roof	\$ 1,157,708	\$ 1,157,708	\$ 1,157,708	-	\$ 1,157,708	-	-	\$ 1,157,708	\$ 1,157,708	-	-
High School A/C	2,001,249	1,983,650	1,947,239	36,411	1,983,650	-	-	1,983,650	1,983,650	-	-
Eastplain Playground	78,670	78,670	78,670	-	78,670	-	-	78,670	78,670	-	-
John West Playground	34,640	34,640	34,640	-	34,640	-	-	34,640	34,640	-	-
Schwarting Playground	83,121	83,121	83,121	-	83,121	-	-	83,121	83,121	-	-
John West Bathroom 1	81,301	81,301	81,301	-	81,301	-	-	81,301	81,301	-	-
John West Bathroom 2	81,301	81,301	81,301	-	81,301	-	-	81,301	81,301	-	-
Schwarting Bathroom 1	118,960	118,960	118,960	-	118,960	-	-	118,960	118,960	-	-
Schwarting Bathroom 2	118,960	118,960	118,960	-	118,960	-	-	118,960	118,960	-	-
Flooring DW	143,657	166,117	141,368	23,082	164,450	1,667	-	166,117	166,117	-	1,667
Smartboard DW	14,905	22,219	4,100	17,459	21,559	660	-	22,219	22,219	-	660
Door Replacement DW	83,728	71,553	39,055	-	39,055	32,498	-	71,553	71,553	-	32,498
	<u>3,998,200</u>	<u>3,998,200</u>	<u>3,886,423</u>	<u>76,952</u>	<u>3,963,375</u>	<u>34,825</u>	<u>-</u>	<u>3,998,200</u>	<u>3,998,200</u>	<u>-</u>	<u>34,825</u>
Capital reserve projects approved May 2019											
From capital reserve II (5/15)											
High School A/C	1,681,644	1,618,967	1,611,015	7,952	1,618,967	-	\$	1,618,967	1,618,967	-	-
Middle School Gym A/C	359,764	350,049	315,512	34,537	350,049	-	\$	350,049	350,049	-	-
Elementary A/C	-	-	-	-	-	-	-	-	-	-	-
High School Windows	797,988	784,225	590,645	193,580	784,225	-	-	784,225	784,225	-	-
High School Parking Lot	581,249	581,913	574,968	6,945	581,913	-	-	581,913	581,913	-	-
High School Dug Out	100,000	100,000	100,000	-	100,000	-	-	100,000	100,000	-	-
Eastplain Bathroom 1	118,069	118,069	118,069	-	118,069	-	-	118,069	118,069	-	-
Eastplain Bathroom 2	118,068	118,068	118,068	-	118,068	-	-	118,068	118,068	-	-
Flooring DW	4,210	89,701	-	-	-	89,701	-	89,701	89,701	-	89,701
Door Replacement DW	17,323	17,323	-	-	-	17,323	-	17,323	17,323	-	17,323
Smartboard DW	29,585	29,585	28,829	-	28,829	756	-	29,585	29,585	-	756
	<u>3,807,900</u>	<u>3,807,900</u>	<u>3,457,106</u>	<u>243,014</u>	<u>3,700,120</u>	<u>107,780</u>	<u>-</u>	<u>3,807,900</u>	<u>3,807,900</u>	<u>-</u>	<u>107,780</u>
Capital reserve security projects approved May 2019											
From capital reserve III (5/18)											
High School Locks	400,000	379,900	10,886	102,224	113,110	266,790	-	379,900	379,900	-	266,790
Middle School Locks	400,000	373,760	10,829	76,509	87,338	286,422	-	373,760	373,760	-	286,422
Eastplain Locks	199,999	199,999	5,415	35,104	40,519	159,480	-	199,999	199,999	-	159,480
Charles Schwarting Locks	200,000	200,000	5,415	38,963	44,378	155,622	-	200,000	200,000	-	155,622
John West Locks	200,000	246,340	5,415	47,794	53,209	193,131	-	246,340	246,340	-	193,131
High School Parking Gate	93,001	93,001	83,895	-	83,895	9,106	-	93,001	93,001	-	9,106
High School Sign	142,000	142,000	81,757	-	81,757	60,243	-	142,000	142,000	-	60,243
Middle School Sign	150,000	150,000	97,598	-	97,598	52,402	-	150,000	150,000	-	52,402
Eastplain Sign	150,000	150,000	50,223	-	50,223	99,777	-	150,000	150,000	-	99,777
Charles Schwarting Sign	150,000	150,000	59,109	-	59,109	90,891	-	150,000	150,000	-	90,891
John West Sign	150,000	150,000	88,470	-	88,470	61,530	-	150,000	150,000	-	61,530
	<u>2,235,000</u>	<u>2,235,000</u>	<u>499,012</u>	<u>300,594</u>	<u>799,606</u>	<u>1,435,394</u>	<u>-</u>	<u>2,235,000</u>	<u>2,235,000</u>	<u>-</u>	<u>1,435,394</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources -**  
**Capital Projects Fund (Continued)**  
For the Year Ended June 30, 2022

PROJECT TITLE	Budget June 30, 2021	Budget June 30, 2022	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2022
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Capital reserve projects approved June 2020											
From capital reserve II (5/15) and IV (5/19)											
Cafeteria Upgrade	3,490,844	3,358,808	124,921	2,568,643	2,693,564	665,244		3,358,808	3,358,808	665,244	
Fitness Center	4,995,303	5,477,339	141,030	306,777	447,807	5,029,532		5,477,339	5,477,339	5,029,532	
Flooring DW	250,000		-		-	-			-	-	
Door Replacement DW	100,000		-		-	-			-	-	
	<u>8,836,147</u>	<u>8,836,147</u>	<u>265,951</u>	<u>2,875,420</u>	<u>3,141,371</u>	<u>5,694,776</u>	<u>-</u>	<u>-</u>	<u>8,836,147</u>	<u>8,836,147</u>	<u>5,694,776</u>
Capital reserve projects approved June 2020											
From capital reserve III (5/18)											
High School A/C	598,230	598,230		497,118	497,118	101,112			598,230	598,230	101,112
Capital reserve projects approved May 2021											
From capital reserve II (5/15) and IV (5/19)											
High School Research Center	2,304,000	1,985,287		45,000	45,000	1,940,287		1,985,287	1,985,287	1,940,287	
High School Athletics Restroom	156,000	162,231		11,712	11,712	150,519		162,231	162,231	150,519	
High School All Purpose Turf	1,370,798	1,683,280		237,703	237,703	1,445,577		1,683,280	1,683,280	1,445,577	
Middle School Greenhouse	300,000	361,000		305,256	305,256	55,744		361,000	361,000	55,744	
Eastplain Gym A/C	345,000	324,667		11,016	11,016	313,651		324,667	324,667	313,651	
Charles Schwarting Gym A/C	345,000	324,667	-	11,016	11,016	313,651		324,667	324,667	313,651	
John H West Gym A/C	345,000	324,666	-	11,016	11,016	313,650		324,666	324,666	313,650	
	<u>5,165,798</u>	<u>5,165,798</u>	<u>-</u>	<u>632,719</u>	<u>632,719</u>	<u>4,533,079</u>	<u>-</u>	<u>-</u>	<u>5,165,798</u>	<u>5,165,798</u>	<u>4,533,079</u>
Capital reserve projects approved May 2021											
From capital reserve III (5/18)											
Middle School Field Lighting	575,456	575,456		27,956	27,956	547,500		575,456	575,456	547,500	
High School Signage	42,400	42,400				42,400		42,400	42,400	42,400	
High School Theatre Lighting	200,000	200,000	-			200,000		200,000	200,000	200,000	
Security System Upgrades	195,000	195,000	-	98,053	98,053	96,947		195,000	195,000	96,947	
	<u>1,012,856</u>	<u>1,012,856</u>	<u>-</u>	<u>126,009</u>	<u>126,009</u>	<u>886,847</u>	<u>-</u>	<u>-</u>	<u>1,012,856</u>	<u>1,012,856</u>	<u>886,847</u>
Capital reserve projects approved May 2022											
From capital reserve III (5/18)											
HS Generator		1,400,000				1,400,000		1,400,000	1,400,000	1,400,000	
HS Switch Upgrades		275,000				275,000		275,000	275,000	275,000	
HS Field Communications		175,000				175,000		175,000	175,000	175,000	
Schwarting Field Communications		55,000				55,000		55,000	55,000	55,000	
HS Softball Sinage		100,000				100,000		100,000	100,000	100,000	
Security Upgrades		195,000				195,000		195,000	195,000	195,000	
	<u>-</u>	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>2,200,000</u>	<u>2,200,000</u>	
Capital reserve projects approved May 2022											
From capital reserve II (5/15) and IV (5/19)											
Music Wing		3,500,000				3,500,000		3,500,000	3,500,000	3,500,000	
HS Parking Lot		75,000				75,000		75,000	75,000	75,000	
HS Gym		716,337				716,337		716,337	716,337	716,337	
HS Mens & Ladies Restrooms		250,000				250,000		250,000	250,000	250,000	
HS Boys & Girls Restrooms		340,000				340,000		340,000	340,000	340,000	
Schwarting Boys & Girls Restrooms		340,000				340,000		340,000	340,000	340,000	
West Hallway Flooring		79,945				79,945		79,945	79,945	79,945	
West Cafeteria Flooring		67,300				67,300		67,300	67,300	67,300	
	<u>-</u>	<u>5,368,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,368,582</u>	<u>-</u>	<u>-</u>	<u>5,368,582</u>	<u>5,368,582</u>	
Totals	<u>\$ 41,061,200</u>	<u>\$ 51,605,121</u>	<u>\$ 23,483,898</u>	<u>\$ 5,642,517</u>	<u>\$ 29,126,415</u>	<u>\$ 22,478,706</u>	<u>\$ -</u>	<u>\$ 1,494,558</u>	<u>\$ 50,110,563</u>	<u>\$ 51,605,121</u>	<u>\$ 22,478,706</u>

**PLAINEDGE UNION FREE SCHOOL DISTRICT**  
**Schedule of Net Investment in Capital Assets**  
June 30, 2022

Capital assets, net	<u>\$ 81,456,570</u>
Deduct:	
Short-term portion of energy performance contract payable	443,050
Long-term portion of energy performance contract payable	3,194,507
Short-term portion of lease liabilities	151,218
Long-term portion of lease liabilities	<u>584,059</u>
	<u>4,372,834</u>
Net investment in capital assets	<u><u>\$ 77,083,736</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  
Plainedge Union Free School District  
North Massapequa, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of the Plainedge Union Free School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2022. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plainedge Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plainedge Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plainedge Union Free School 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plainedge Union Free School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cullen & Danowski, LLP*

September 20, 2022

