



ROSLYN UNION FREE SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS
June 30, 2021

ROSLYN UNION FREE SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified
Special Aid Fund	Unmodified
School Food Service Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Extraclassroom Activities Fund	Qualified
Scholarships Fund	Unmodified
Fiduciary Fund	Unmodified

Basis for Qualified Opinion on the Extraclassroom Activities Fund

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

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 receipts referred to in the “Basis for Qualified Opinion on the Extraclassroom Activities Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Roslyn Union Free School District, as of June 30, 2021, 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 extraclassroom activities fund, and the fiduciary fund of the Roslyn Union Free School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As described in Note 2 to the financial statements, “Changes in Accounting Principles,” the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, as of June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 57 through 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Roslyn Union Free School District's basic financial statements. The other supplementary information on pages 62 through 64 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. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021 on our consideration of the Roslyn 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 Roslyn 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 Roslyn Union Free School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

October 22, 2021

ROSLYN UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Roslyn Union Free School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021 in comparison with the year ended June 30, 2020, 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 2021 are as follows:

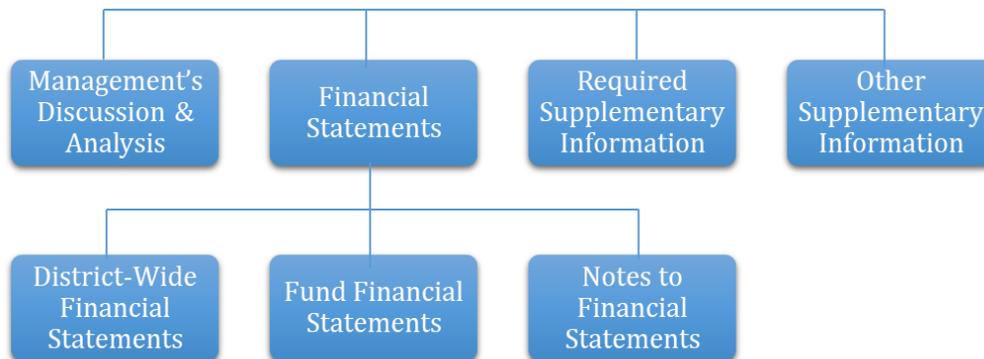
- The District's total net position was a deficit of \$81,494,577 in the district-wide financial statements at June 30, 2021, compared to a deficit of \$76,750,576 at June 30, 2020. The deficit increased \$4,744,001 over the prior year due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's total net position at June 30, 2020 was restated and increased by \$314,765, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$119,058,456. Of this amount, \$4,124,326 was offset by program charges for services, and operating grants and contributions. General revenues of \$110,190,129 amount to 96.4% of total revenues.
- The District's general fund fund balance, as reflected in the fund financial statements was \$34,349,338 at June 30, 2021. This balance represents a \$3,950,143 increase (12.99%) over the prior year 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. Nonspendable fund balance increased by \$568,862, which represents the inclusion of the reserve for advance. Restricted fund balances increased by \$3,387,714 due to funding of reserves and interest allocated to the reserves, offset by the use of reserves. Assigned fund balance decreased \$134,276, as the District decreased the assignment for encumbrances. Unassigned fund balance increased by \$127,843 to \$4,723,771.
- The District's 2021 property tax levy of \$96,781,273 was a 1.98% increase over the 2020 tax levy. The District's property tax cap was 2.45%.
- The voters authorized the purchase of various school buses and vans in an amount not to exceed \$529,867 under Proposition 2 with the 2020-2021 budget. The District funded this purchase with the issuance of bond anticipation notes in the amount of \$1,174,407, which included the funding for the voter authorized purchase of various school buses and vans in an amount not to exceed \$457,014 under Proposition 3 with the 2019-2020 budget and funding for the voter authorized purchase of various school buses and vans in an amount not to exceed 464,883 under Proposition 3 with the 2018-2019 budget. On the fund financial statements, the amount of \$608,272 has been reflected in the capital projects fund as another financing source and includes the portion of the notes, which were redeemed with bond anticipation notes issued in August 2021.
- On May 19, 2015, the voters approved the 2015 construction capital reserve. The reserve has a funding cap of \$10,000,000, plus investment income over a probable term of 10 years and provides for annual funding of an amount not to exceed \$3,000,000. This reserve has been funded by the District in the amount of \$10,000,000 through June 30, 2021. In May 2017 and 2019 voters approved the use of \$8,007,287 of this reserve and to date; interest of \$146,404 has been earned bringing the general fund balance in this reserve to \$2,139,117 and the capital projects fund balance in this reserve to \$1,566,699.

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

- On May 16, 2017 the voters approved the 2017 capital reserve. The reserve has a funding cap of \$25,000,000, plus investment income over a probable term of 20 years and provides for annual funding of an amount not to exceed \$3,000,000. This reserve has been funded for \$11,114,190 and has earned interest of \$191,586, bringing the general fund balance in this reserve to \$11,305,776 at June 30, 2021.
- On June 9, 2020 the voters approved the 2020 capital reserve. The reserve has a funding cap of \$25,000,000, plus investment income over a probable term of 25 years and provides for annual funding of an amount not to exceed \$5,000,000. This reserve in the general fund has been funded for \$3,636,752 and has earned interest of \$4,200, bringing the general fund balance of this reserve to \$3,640,952 at June 30, 2021.
- 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 in the amount of \$114,629 and through the Governor's Emergency Relief (GEER) Program in the amount of \$19,428. The District applied for additional funding in the amount of \$401,996 allocated under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act which awards were granted in September 2021.

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 supplementary 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.

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

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 facilities.

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, 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.

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

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 a separate statement. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

Certain balances at June 30, 2020 were adjusted as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*, which required the District to record activities in the Governmental Funds that had previously been recorded in the Fiduciary Funds. Consequently, the District now includes the agency fund activities in the general fund, and the extraclassroom activities and scholarships funds as separate governmental fund. The changes resulted in an increase to total net position. The following is a summary of these changes:

	<u>As Restated</u> <u>June 30, 2020</u>	<u>As Reported</u> <u>June 30, 2020</u>	<u>Increase</u> <u>(Decrease)</u>
Current and Other Assets	\$ 57,625,367	\$ 56,845,722	\$ 779,645
Current and Other Liabilities	11,147,111	10,682,231	464,880
Restricted Net Position	35,412,065	35,222,444	189,621
Unrestricted Net Position (Deficit)	(185,085,037)	(185,210,181)	125,144
Total Net Position (Deficit)	(76,750,576)	(77,065,341)	314,765

The District's total net position decreased by \$4,744,001 between fiscal year 2020 and 2021. The decrease is due to expenses in excess of revenues using the economic measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

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

The increase in current and other liabilities is primarily the result of increases in accounts payable, as a result of the timing of the payment of vendor invoices, and the amount payable to the teachers' retirement system, due to an increase in the annual required contribution rate.

The decrease in long-term liabilities is primarily the result of the repayment of the current maturity of the bond indebtedness.

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

Total other postemployment benefits (OPEB) liability increased, 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 and related outstanding debt. The accompanying Other Supplementary Information, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount relates to the District's reserves. This number decreased from the prior year principally due to the use of reserves for operating expenses as budgeted, capital project expenditures, and emergency repairs to District buildings, offset by transfers into 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.

B. Changes in Net Position

The June 30, 2020 revenues and expenses were increased, resulting from the implementation of GASB Statement No. 84, *Fiduciary Activities*, as follows:

	As Restated June 30, 2020	As Reported June 30, 2020	Increase (Decrease)
Charges for Services	\$ 3,321,123	\$ 3,180,163	\$ 140,960
Operating Grants & Contributions	1,553,985	1,519,714	34,271
Instruction Expense	92,066,265	91,774,412	291,853

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

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

	<u>June 30, 2021</u>	<u>As Restated June 30, 2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 2,458,242	\$ 3,321,123	\$ (862,881)	(25.98)%
Operating Grants & Contributions	1,666,084	1,553,985	112,099	7.21 %
Capital Grants		289,020	(289,020)	(100.00)%
General Revenues				
Property Taxes & STAR	96,844,440	95,059,242	1,785,198	1.88 %
State Sources	6,793,045	7,061,611	(268,566)	(3.80)%
Other	6,552,644	6,559,833	(7,189)	(0.11)%
Total Revenues	<u>114,314,455</u>	<u>113,844,814</u>	<u>469,641</u>	0.41 %
Expenses				
General Support	21,889,608	19,543,839	2,345,769	12.00 %
Instruction	88,333,770	92,066,265	(3,732,495)	(4.05)%
Pupil Transportation	6,954,820	6,432,374	522,446	8.12 %
Community Services		10,785	(10,785)	(100.00)%
Debt Service - Interest	562,364	673,697	(111,333)	(16.53)%
Food Service Program	1,317,894	1,406,883	(88,989)	(6.33)%
Total Expenses	<u>119,058,456</u>	<u>120,133,843</u>	<u>(1,075,387)</u>	(0.90)%
Decrease in Net Position	<u>\$ (4,744,001)</u>	<u>\$ (6,289,029)</u>	<u>\$ 1,545,028</u>	24.57 %

The District's net position decreased by \$4,744,001 and \$6,289,029 for the years ended June 30, 2021, and 2020, respectively.

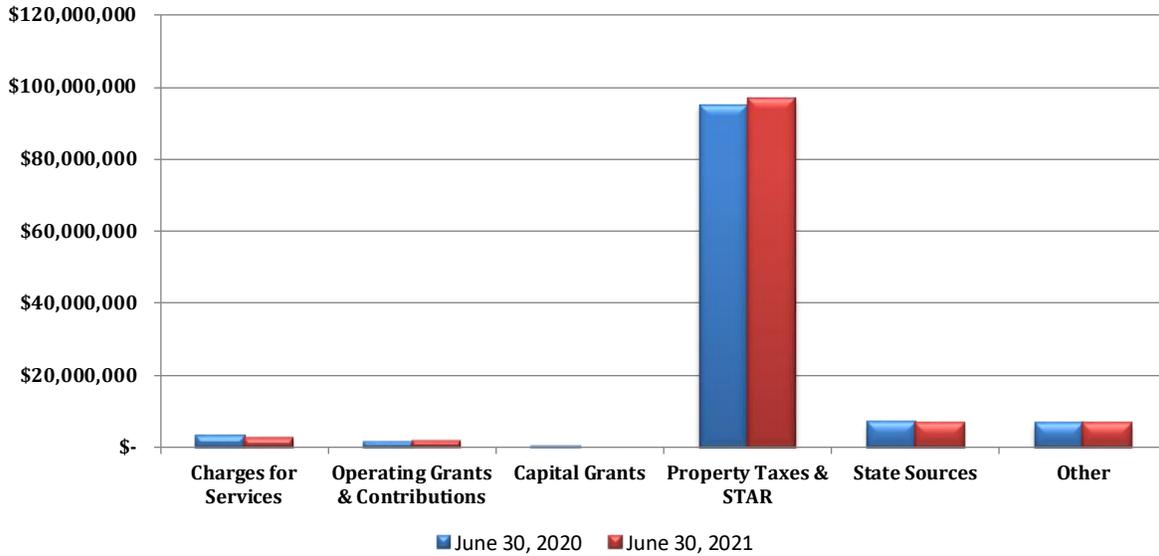
The District's revenues increased by \$469,641 or 0.41%. The major factors that contributed to the increase were the increase in property taxes and STAR in accordance with the voter approved budget, offset by decreases in charges for services due to a reduction in tuition from other Districts, capital grants due to improvement projects funded under the SMART Schools Bond Act being completed in the prior year, and a decrease in state aid sources due to a reduction in the District's State aid allocation.

The District's total expenses for the year decreased by \$1,075,387 or 0.90%. The decrease in expenses is primarily due to a decrease in instruction expenses as result of a reduction in health insurance costs and the impact of the net change in pension and other postemployment benefits costs allocated, offset by an increase in general support, as a result of increased staffing costs and supplies needed to comply with COVID-19 mandated requirements.

As indicated on the graphs that follow, property taxes and STAR is the largest component of revenues recognized (i.e., 84.7% and 83.5% of the total for the years 2021 and 2020, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 74.2% and 76.5% of the total for the years 2021 and 2020, respectively).

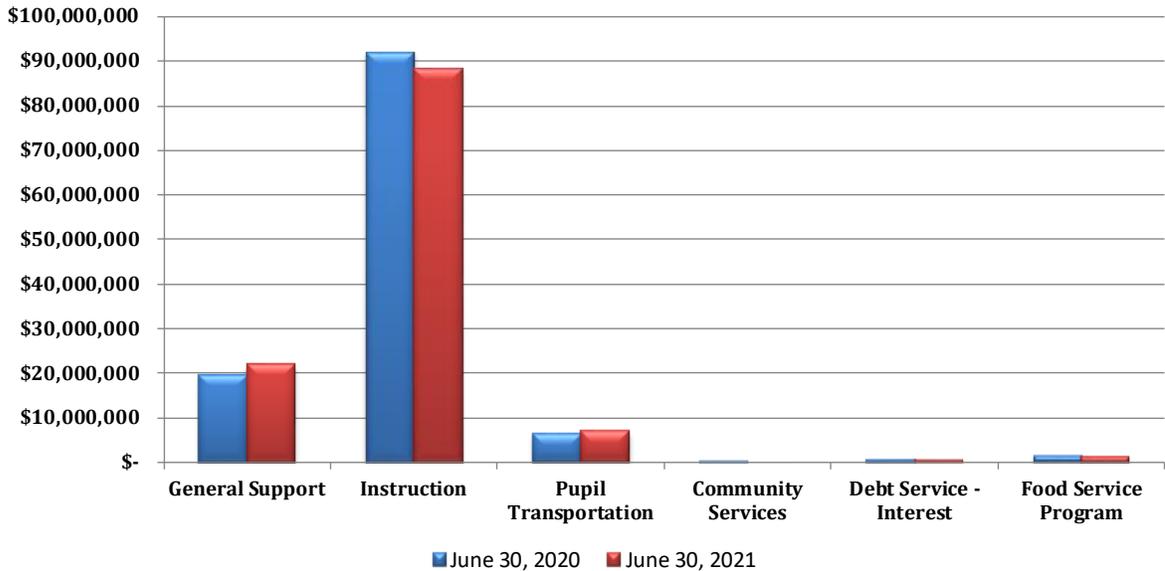
ROSLYN UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for Services	Operating Grants & Contributions	Capital Grants	Property Taxes & STAR	State Sources	Other
2020	2.9%	1.4%	0.3%	83.5%	6.2%	5.7%
2021	2.2%	1.5%	0.0%	84.7%	5.9%	5.7%

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



	General Support	Instruction	Pupil Transportation	Community Service	Debt Service - Interest	Food Service Program
2020	16.3%	76.5%	5.4%	0.0%	0.6%	1.2%
2021	18.4%	74.2%	5.8%	0.0%	0.5%	1.1%

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

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$45,724,507, which is a decrease of \$480,762 from the prior year. This decrease is 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. The June 30, 2020 amounts were restated to include the extraclassroom activities and scholarships funds, as a result of the implementation of GASB Statement No. 84. A summary of the change in the components of fund balance by fund is as follows:

	June 30, 2021	As Restated June 30, 2020	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Advance	\$ 568,862	\$	\$ 568,862	N/A
Restricted				
Workers' compensation	58,644	58,527	117	0.20 %
Unemployment insurance	460,547	549,448	(88,901)	(16.18)%
Retirement contribution				
Teachers' retirement system	1,730,145	928,288	801,857	86.38 %
Employees' retirement system	7,475,308	7,360,587	114,721	1.56 %
Employee benefit accrued liability	82,131	124,015	(41,884)	(33.77)%
Capital	17,085,845	13,984,372	3,101,473	22.18 %
Repairs	1,015,705	1,515,374	(499,669)	(32.97)%
Assigned:				
Appropriated fund balance	700,000	700,000	-	0.00 %
Unappropriated fund balance	448,380	582,656	(134,276)	(23.05)%
Unassigned: Fund balance	4,723,771	4,595,928	127,843	2.78 %
	<u>34,349,338</u>	<u>30,399,195</u>	<u>3,950,143</u>	12.99 %
School Food Service Fund				
Nonspendable: Inventory	18,719	21,483	(2,764)	(12.87)%
Unassigned: Fund balance (deficit)	(568,862)	(181,034)	(387,828)	(214.23)%
	<u>(550,143)</u>	<u>(159,551)</u>	<u>(390,592)</u>	(244.81)%
Debt Service Fund				
Restricted: Debt	2,557,488	4,485,147	(1,927,659)	(42.98)%
Capital Projects Fund				
Restricted: Capital	1,566,699	6,216,686	(4,649,987)	(74.80)%
Assigned: Unappropriated fund balance	7,471,786	4,949,027	2,522,759	50.97 %
	<u>9,038,485</u>	<u>11,165,713</u>	<u>(2,127,228)</u>	(19.05)%
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	131,665	125,144	6,521	5.21 %
Scholarships Fund				
Restricted: Scholarships	197,674	189,621	8,053	4.25 %
Total Fund Balance	<u>\$ 45,724,507</u>	<u>\$ 46,205,269</u>	<u>\$ (480,762)</u>	(1.04)%

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

A. General Fund

The net change in the general fund – fund balance is an increase of \$3,950,143, compared to an increase of \$5,805,737 in 2020. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

The District’s revenues and other financing sources increased by \$1,657,591 or 1.47%, as compared to the prior year. This increase is primarily attributable to the increase in property taxes due to an increase in the tax levy in accordance with the 2020-2021 budget, offset by a decrease in use of money and property as a result of reduced interest rates.

Expenditures and other financing uses increased by \$3,513,185 or 3.27% over the prior year. This increase was primarily due to increases in central services, as additional staffing and supplies were needed to comply with COVID-19 mandated requirements, and pupil transportation, as the District experienced reduced transportation costs in the prior year as they were closed for a portion of the year due to COVID-19.

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

	Balance @ June 30, 2020	Use of Reserves	Interest	Funding	Balance @ June 30, 2021	Appropriated for June 30, 2022
Workers' compensation	\$ 58,527	\$	\$ 117	\$	\$ 58,644	\$
Unemployment insurance	549,448	(90,000)	1,099		460,547	
Retirement contribution						
TRS	928,288		1,857	800,000	1,730,145	800,000
ERS	7,360,587	(750,000)	14,721	850,000	7,475,308	850,000
EBALR	124,015	(42,131)	247		82,131	
Capital	13,984,372		27,969	3,073,504	17,085,845	
Repairs	1,515,374	(702,700)	3,031	200,000	1,015,705	
	<u>\$ 24,520,611</u>	<u>\$ (1,584,831)</u>	<u>\$ 49,041</u>	<u>\$ 4,923,504</u>	<u>\$ 27,908,325</u>	<u>\$ 1,650,000</u>

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

B. School Food Service Fund

The decrease in the school food service fund of \$390,592 was the operating loss of the school food service program, net of a transfer from the general fund of \$453,843.

C. Debt Service Fund

The debt service fund – fund balance decreased by \$1,927,659, as a result of the voter approved budget transfer to the general fund to be used for debt service payments.

D. Capital Projects Fund

The net change in the capital projects fund – fund balance is a decrease of \$2,127,228, due to expenditures incurred for capital improvement projects in excess of the budgeted operating transfer from the general fund and transfers from the repair reserve to fund emergency repairs to District buildings.

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

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

	Balance @ June 30, 2020	Use of Reserves	Funding	Balance @ June 30, 2021
May 2015	\$ 6,216,686	\$ (4,649,987)	\$	\$ 1,566,699

E. Extraclassroom Activities Fund

The net change in the extraclassroom activities fund – fund balance is an increase of \$6,521, as a result of revenues of \$49,429 in excess of expenditures of \$42,908.

F. Scholarships Fund

The net change in the scholarship fund – fund balance is an increase of \$8,053, as a result of donations received of \$41,689 and interest income of \$514 in excess of scholarships awarded of \$34,150.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the year ended June 30, 2021 was \$115,330,236. This amount was increased by encumbrances carried forward from the prior year in the amount of \$582,655 and budget revisions in the amount of \$837,341 for a total final budget of \$116,750,232.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$96,781,273 in estimated property taxes and STAR.

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, encumbrances, and amounts classified as nonspendable. 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	\$ 4,595,928
Fund Balance Appropriated for Budget Revision	(9,809)
Revenues Over Budget	890,433
Expenditures and Encumbrances Under Budget	5,488,626
Change in Nonspendable Fund Balance	(568,862)
Allocation to Reserves	(4,972,545)
Appropriated to Fund the June 30, 2022 Budget	(700,000)
Closing, Unassigned Fund Balance	\$ 4,723,771

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

Opening, Unassigned Fund Balance

The \$4,595,928 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned.

Fund Balance Appropriated for Budget Revision

The District increased appropriations by \$9,809, funded by unassigned fund balance. This decreased the unassigned portion of the general fund fund balance.

Revenues Over Budget

The 2020-2021 final budget for revenues was \$113,872,936. Actual revenues recognized for the year were \$114,763,369. The excess of actual revenues over estimated or budgeted revenues was \$890,433, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. 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 2020-2021 final budget for expenditures and other uses was \$116,750,232. Actual expenditures as of June 30, 2021 were \$110,813,226 and outstanding encumbrances were \$448,380. Combined, the expenditures plus encumbrances for 2020-2021 were \$111,261,606. The final budget variance was \$5,488,626, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Change in Nonspendable Fund Balance

The District's general fund assets include a long-term receivable from the school food service fund that cannot currently be spent as a result of the operating deficit incurred by the fund and the fund's inability to repay the loan in the current period. Accordingly, an equal amount of fund balance is classified as nonspendable. The increase in nonspendable fund balance decreases unassigned fund balance.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total 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 \$700,000 of the available June 30, 2021 unassigned fund balance to partially fund the 2021-2022 approved operating budget. As such, the June 30, 2021 unassigned fund balance must be reduced by this amount.

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

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the unassigned fund balance at June 30, 2021 was \$4,723,771. This amount equals 3.98% of the 2021-2022 budget, which is less than the 4.00% statutory limit.

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

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions of \$6,222,405 in excess of depreciation expense of \$3,141,908 recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Land	\$ 5,024,322	\$ 5,024,322	\$ -
Construction in progress	57,789,648	52,999,316	4,790,332
Buildings and improvements	36,071,766	38,305,545	(2,233,779)
Machinery and equipment	<u>4,345,888</u>	<u>3,821,944</u>	<u>523,944</u>
Capital assets, net	<u>\$ 103,231,624</u>	<u>\$ 100,151,127</u>	<u>\$ 3,080,497</u>

B. Debt Administration

At June 30, 2021, the District had total bonds payable of \$21,540,000. Bonds were issued for school building improvements and the refunding of bonds originally issued for school building improvements. The decreases in bonds payable, installment purchase debt, and energy performance contract were due to principal payments on the obligations. In addition the District had bond anticipation notes in the amount of \$1,174,407 for the purchase of buses. A summary of the outstanding debt at June 30, 2021 and 2020 is as follows:

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

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Bonds Payable				
2009	5.00%	\$ 1,390,000	\$ 2,720,000	\$ (1,330,000)
2012	3.0-4.0%	325,000	640,000	(315,000)
2016	2.0-2.375%	16,870,000	18,405,000	(1,535,000)
2017	2.0-3.0%	2,955,000	3,210,000	(255,000)
		<u>\$ 21,540,000</u>	<u>\$ 24,975,000</u>	<u>\$ (3,435,000)</u>
Installment Purchase Debt				
2017	1.61%	\$	\$ 175,442	\$ (175,442)
2018	2.20%	143,353	236,330	(92,977)
		<u>\$ 143,353</u>	<u>\$ 411,772</u>	<u>\$ (268,419)</u>
Energy Performance Contract				
2011	2.46%	\$ 908,951	\$ 1,197,418	\$ (288,467)

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa1.

C. OTHER LONG-TERM LIABILITIES

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and workers' compensation liability, net pension liabilities - 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, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Compensated absences	\$ 224,352	\$ 256,978	\$ (32,626)
Workers' compensation	-	57,448	(57,448)
Net pension liabilities - proportionate share	7,331,126	9,945,309	(2,614,183)
Total OPEB Liability	<u>219,024,219</u>	<u>210,576,703</u>	<u>8,447,516</u>
	<u>\$ 226,579,697</u>	<u>\$ 220,836,438</u>	<u>\$ 5,743,259</u>

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

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 18, 2021, for the year ending June 30, 2022, is \$118,663,250. This is an increase of \$3,333,014 or 2.89% over the previous year's budget. The increase is principally in the instructional area of the budget.

The District budgeted revenues other than property taxes and STAR at a \$608,758 increase over the prior year's estimate, which is principally due to an increase in state aid. The assigned, appropriated fund balance applied to the budget in the amount of \$700,000 is the same amount as the previous year. Additionally, the District has elected to appropriate \$1,650,000 of reserves towards the next year's budget, which is an increase of \$890,000 over the previous year, as well as a transfer from the debt service fund of \$1,866,250, which is a decrease of \$80,800 from the prior year. A property tax increase of \$1,915,056 (1.98%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

The property tax cap, and uncertainty in state aid and federal funding, as well as the continuing effect of the COVID-19 pandemic, will 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. The District's 2021-2022 property tax increase of 1.98% was less than the 2.45% tax cap 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:

Ms. Susan Warren
Assistant Superintendent for Business & Administration
Roslyn Union Free School District
300 Harbor Hill Road
Roslyn, New York 11576

ROSLYN UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

ASSETS

Cash	
Unrestricted	\$ 21,394,362
Restricted	32,230,186
Receivables	
Accounts receivable	298,420
Taxes receivable	2,386,056
Due from state and federal	1,937,851
Other assets	8,788
Inventory	18,719
Capital assets:	
Not being depreciated	62,813,970
Being depreciated, net of accumulated depreciation	<u>40,417,654</u>
Total Assets	<u>161,506,006</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges from advance refunding, net	57,425
Pensions	33,534,239
Other postemployment benefits	<u>8,743,330</u>
Total Deferred Outflows of Resources	<u>42,334,994</u>

LIABILITIES

Payables	
Accounts payable	5,820,313
Accrued liabilities	410,424
Due to other governments	886,732
Due to teachers' retirement system	4,540,480
Due to employees' retirement system	526,101
Other liabilities	58,765
Bond anticipation notes payable	105,973
Unearned credits: collections in advance	102,136
Long-term liabilities	
Due and payable within one year	
Bond anticipation notes payable	1,068,434
Bonds payable, net	3,671,988
Installment purchase debt payable	95,043
Energy performance contract payable	295,607
Compensated absences payable	16,000
Due and payable after one year	
Bonds payable, net	18,005,000
Installment purchase debt payable	48,310
Energy performance contract payable	613,344
Compensated absences payable	208,352
Net pension liabilities - proportionate share	7,331,126
Total other postemployment benefits liability	<u>219,024,219</u>
Total Liabilities	<u>262,828,347</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	14,463,272
Other postemployment benefits	<u>8,043,958</u>
Total Deferred Inflows of Resources	<u>22,507,230</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>79,570,886</u>
Restricted:	
Workers' compensation	58,644
Unemployment insurance	460,547
Retirement contribution	
Teachers' retirement system	1,730,145
Employees' retirement system	7,475,308
Employee benefit accrued liability	82,131
Capital	18,652,544
Repairs	1,015,705
Debt	2,557,488
Scholarships	<u>197,674</u>
Total Restricted	<u>32,230,186</u>
Unrestricted (Deficit)	<u>(193,295,649)</u>
Total Net Position (Deficit)	<u>\$ (81,494,577)</u>

ROSLYN UNION FREE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues		Net (Expense)
Expenses	Charges for Services	Operating Grants & Contributions	Revenue and Changes in Net Position	
FUNCTIONS/PROGRAMS				
General support	\$ 21,889,608	\$	\$	\$ (21,889,608)
Instruction	88,333,770	2,383,466	1,299,103	(84,651,201)
Pupil transportation	6,954,820			(6,954,820)
Debt service - interest	562,364			(562,364)
Food service program	1,317,894	74,776	366,981	(876,137)
	<u>\$ 119,058,456</u>	<u>\$ 2,458,242</u>	<u>\$ 1,666,084</u>	<u>(114,934,130)</u>
GENERAL REVENUES				
Real property taxes				94,087,236
Other tax items				8,641,000
Use of money and property				87,217
Sale of property and compensation for loss				76,785
Miscellaneous				452,832
State sources				6,793,045
Medicaid reimbursement				52,014
				<u>110,190,129</u>
Change in Net Position (Deficit)				(4,744,001)
Total Net Position (Deficit) - Beginning of Year, as Restated				<u>(76,750,576)</u>
Total Net Position (Deficit) - End of Year, as Restated				<u>\$ (81,494,577)</u>

ROSLYN UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
ASSETS								
Cash								
Unrestricted	\$ 12,851,521	\$ 593,795	\$ 31,486	\$	\$ 7,785,895	\$ 131,665	\$	\$ 21,394,362
Restricted	26,053,815			4,411,998	1,566,699		197,674	32,230,186
Receivables								
Accounts receivable	298,420							298,420
Taxes receivable	2,386,056							2,386,056
Due from other funds	4,847,332			16,855	2,584,700			7,448,887
Due from state and federal	710,786	939,523	105,836		181,706			1,937,851
Other Assets	8,788							8,788
Inventory			18,719					18,719
Total Assets	<u>\$ 47,156,718</u>	<u>\$ 1,533,318</u>	<u>\$ 156,041</u>	<u>\$ 4,428,853</u>	<u>\$ 12,119,000</u>	<u>\$ 131,665</u>	<u>\$ 197,674</u>	<u>\$ 65,723,269</u>
LIABILITIES								
Payables								
Accounts payable	\$ 3,885,190	\$ 226,140	\$ 6,657	\$	\$ 1,702,326			\$ 5,820,313
Accrued liabilities	325,584	600	1,485					327,669
Due to other funds	2,584,700	1,303,572	598,740	1,871,365	1,090,510			7,448,887
Due to other governments	886,560		172					886,732
Due to teachers' retirement system	4,540,480							4,540,480
Due to employees' retirement system	526,101							526,101
Other liabilities	58,765							58,765
Bond anticipation notes payable					105,973			105,973
Unearned credits: collections in advance		3,006	99,130					102,136
Total Liabilities	<u>12,807,380</u>	<u>1,533,318</u>	<u>706,184</u>	<u>1,871,365</u>	<u>2,898,809</u>	<u>-</u>	<u>-</u>	<u>19,817,056</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue					181,706			181,706
FUND BALANCES (DEFICIT)								
Nonspendable:								
Advance	568,862							568,862
Inventory			18,719					18,719
Restricted:								
Workers' compensation	58,644							58,644
Unemployment insurance	460,547							460,547
Retirement contribution								
Teachers' retirement system	1,730,145							1,730,145
Employees' retirement system	7,475,308							7,475,308
Employee benefit accrued liability	82,131							82,131
Capital	17,085,845				1,566,699			18,652,544
Repairs	1,015,705							1,015,705
Debt				2,557,488				2,557,488
Scholarships							197,674	197,674
Assigned:								
Appropriated fund balance	700,000							700,000
Unappropriated fund balance	448,380				7,471,786	131,665		8,051,831
Unassigned fund balance (Deficit)	4,723,771		(568,862)					4,154,909
Total Fund Balances (Deficit)	<u>34,349,338</u>	<u>-</u>	<u>(550,143)</u>	<u>2,557,488</u>	<u>9,038,485</u>	<u>131,665</u>	<u>197,674</u>	<u>45,724,507</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47,156,718</u>	<u>\$ 1,533,318</u>	<u>\$ 156,041</u>	<u>\$ 4,428,853</u>	<u>\$ 12,119,000</u>	<u>\$ 131,665</u>	<u>\$ 197,674</u>	<u>\$ 65,723,269</u>

ROSLYN UNION FREE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total Governmental Fund Balances (Deficit) \$ 45,724,507

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

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

Original cost of capital assets	\$ 153,549,899	
Less: Accumulated depreciation	<u>(50,318,275)</u>	103,231,624

Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.

Deferred charges on advance refunding	831,629	
Less: accumulated amortization	<u>(774,204)</u>	57,425

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

Deferred outflows of resources	33,534,239	
Net pension liability - teachers' retirement system	(7,294,677)	
Net pension liability - employees' retirement system	(36,449)	
Deferred inflows of resources	<u>(14,463,272)</u>	11,739,841

Total other postemployment benefits liability and deferred 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	8,743,330	
Total other postemployment benefits liability	(219,024,219)	
Deferred inflows of resources	<u>(8,043,958)</u>	(218,324,847)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

181,706

Long-term liabilities 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	(82,755)	
Bond anticipation notes	(1,068,434)	
Bonds payable, net	(21,676,988)	
Installment purchase debt payable	(143,353)	
Energy performance contract payable	(908,951)	
Compensated absences payable	<u>(224,352)</u>	(24,104,833)

Total Net Position (Deficit) \$ (81,494,577)

ROSLYN UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extracurricular Activities	Scholarships	Total Governmental Funds
REVENUES								
Real property taxes	\$ 94,087,236	\$	\$	\$	\$	\$	\$	\$ 94,087,236
Other tax items	8,641,000							8,641,000
Charges for services	2,334,037							2,334,037
Use of money and property	80,805		67	6,345			514	87,731
Sale of property and compensation for loss	76,785							76,785
Miscellaneous	435,977			16,855		49,429	41,689	543,950
State sources	6,970,599	400,337	11,817					7,382,753
Medicaid reimbursement	52,014							52,014
Federal sources	134,057	722,506	355,318					1,211,881
Sales			74,776					74,776
Total Revenues	112,812,510	1,122,843	441,978	23,200	-	49,429	42,203	114,492,163
EXPENDITURES								
General support	16,815,316							16,815,316
Instruction	54,586,919	1,270,687				42,908	34,150	55,934,664
Pupil transportation	4,942,402	2,013						4,944,415
Employee benefits	26,450,393							26,450,393
Debt service								
Principal	4,176,265							4,176,265
Interest	653,531							653,531
Food service program			1,286,413					1,286,413
Capital outlay					5,320,200			5,320,200
Total Expenditures	107,624,826	1,272,700	1,286,413	-	5,320,200	42,908	34,150	115,581,197
Excess (Deficiency) of Revenues Over Expenditures	5,187,684	(149,857)	(844,435)	23,200	(5,320,200)	6,521	8,053	(1,089,034)
OTHER FINANCING SOURCES AND (USES)								
Proceeds of debt					608,272			608,272
Operating transfers in	1,950,859	149,857	453,843		2,584,700			5,139,259
Operating transfers (out)	(3,188,400)			(1,950,859)				(5,139,259)
Total Other Financing Sources and (Uses)	(1,237,541)	149,857	453,843	(1,950,859)	3,192,972	-	-	608,272
Net Change in Fund Balances	3,950,143	-	(390,592)	(1,927,659)	(2,127,228)	6,521	8,053	(480,762)
Fund Balances (Deficit) - Beginning of Year, as Restated	30,399,195		(159,551)	4,485,147	11,165,713	125,144	189,621	46,205,269
End of Year	\$ 34,349,338	\$ -	\$ (550,143)	\$ 2,557,488	\$ 9,038,485	\$ 131,665	\$ 197,674	\$ 45,724,507

ROSLYN 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, 2021

Net Change in Fund Balances		\$ (480,762)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-Term Revenue and Expense Differences</u>		
Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.	\$ (177,708)	
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 compensated absences payable	57,448	
Decrease in compensated absences payable	32,626	(87,634)
<u>Capital Related Differences</u>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which, capital outlays and other additions exceeded depreciation in the period.		
Capital outlays and other additions	6,222,405	
Depreciation expense	(3,141,908)	3,080,497
<u>Long-Term Debt Transactions Differences</u>		
Proceeds from the issuance of debt is another financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(608,272)	
Amortization of bond premiums, net of the amortization of the deferred charges on the advance refunding of bonds, decreases interest expense in the Statement of Activities.	87,495	
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 anticipation notes	184,379	
Repayment of bond principal	3,435,000	
Repayment of installment purchase debt	268,419	
Repayment of energy performance contract payable	288,467	
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, 2020 to June 30, 2021.	3,672	3,659,160
<u>Pension and Other Postemployment Benefits Differences</u>		
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	(5,733,224)	
Employees' retirement system	770,657	
Other postemployment benefits	(5,952,695)	(10,915,262)
Change in Net Position (Deficit) of Governmental Activities		\$ (4,744,001)

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include operating-specific and discretionary (either operating or capital) grants, 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 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.

Extraclassroom Activities Fund – is used to account for the funds operated by and for the students of the District.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 an 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 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Real Property Taxes

Calendar

Real property taxes are levied annually by the Board of Education in August and become a lien on October 1st and April 1st. Taxes are collected by the Town of North Hempstead and the Town of Oyster Bay during the periods from October 1st through November 10th and April 1st through May 10th without penalty and remitted to the District.

Enforcement

Uncollected real property taxes are subsequently enforced by Nassau County.

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 also 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 with annual increases of no more than 2% 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 \$1,747,739 in LIPA PILOT revenue during the 2020-2021 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.

H. 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

I. 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.

J. 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.

K. 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.

L. Inventory

Inventory of food in the school food service fund is 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. 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 goods are consumed.

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 an available spendable resource.

M. 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	\$ 5,000	20 - 50 yrs.
Machinery and equipment	5,000	5 - 20 yrs.

N. 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 three items that qualify for reporting in this category. The first item is the unamortized amount of deferred charges from a prior year’s refunding of bonds that is being amortized as a component of interest expense on a straight-line basis through June 30, 2022. The second item is related to pensions and consists of the District’s proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the District’s contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB expense.

O. 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 2021. 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.

BANs that are replaced with long-term financing, or renewed subsequent to the year-end, are treated as long-term obligations, as these notes will not require the use of working capital during that period.

P. 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 prepaid lunch amounts. 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Q. 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.

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 30th.

R. 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 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.

S. 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 three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables of certain state aid allocations. In subsequent

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the District-wide financial statements, unavailable revenues are treated as revenues. The second 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 third 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.

T. 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) 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.

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 an advance for the long-term portion of a loan receivable to cover the school food service fund balance deficit, which is recorded in the general fund and 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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. The reserve is accounted for in the general fund and capital projects fund.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Repairs Reserve

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

Restricted for Debt

Unexpended balances of proceeds of borrowings for capital projects, interest, and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts 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.

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

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

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. This statement provides guidance for identifying fiduciary activities, primarily based on whether the assets associated with the activities are controlled by the government and the government does not have administrative involvement with the assets. As a result, agency and private purpose trust activities previously reported within the fiduciary funds are now reported within the governmental funds.

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 standards 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.

Statement	Effective for the Year Ending
GASB No. 87 - <i>Leases</i>	June 30, 2022

GASB Statement No. 87 will change the reporting of leases in the district-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

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 long-term assets and liabilities.

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.

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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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.

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:

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Unanticipated unemployment costs funded by reserve for unemployment	\$ 80,000
Emergency boiler room repairs funded by repair reserve	8,000
Emergency HVAC repairs funded by repair reserve	584,700
Emergency roof repairs funded by repair reserve	110,000
Instruction expenses funded by unassigned fund balance	9,809
Instruction expenses funded by donations	2,700
Separation costs funded by the employee benefit accrued liability reserve	42,132
	<u>42,132</u>
	<u>\$ 837,341</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.

C. School Food Service Fund Deficit

The school food service fund has an unassigned fund balance deficit of \$568,862. This will be funded by a future transfer from the general fund.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

- 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.

Investment pool:

The District participates in the Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2021 are \$3,369,964,660, which consisted of \$371,757,483 in repurchase agreements, \$1,940,950,074 in U.S. Treasury Securities and \$1,057,257,103 in collateralized bank deposits with various interest rates and due dates.

The following amounts are included as cash:

<u>Fund</u>	<u>Carrying Amount</u>
General	\$ 153,635
Capital Projects	189,066
	<u>\$ 342,701</u>

The above amounts represent the fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2021, the District was billed \$4,017,811 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,145,296. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2021 consisted of:

General Fund	
New York State - excess cost aid	\$ 257,098
BOCES aid	453,688
	<u>710,786</u>
Special Aid Fund	
Federal and state grants	939,523
School Food Service Fund	
Federal and state food service program reimbursements	105,836
Capital Projects Fund	
New York State - Smart Schools Bond Act	181,706
	<u>\$ 1,937,851</u>

District management expects these amounts to be fully collectible.

9. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 5,024,322	\$	\$	\$ 5,024,322
Construction in progress	52,999,316	4,790,332		57,789,648
Total capital assets not being depreciated	<u>58,023,638</u>	<u>4,790,332</u>	<u>-</u>	<u>62,813,970</u>
Capital assets being depreciated:				
Buildings and improvements	78,936,712			78,936,712
Machinery and equipment	10,386,764	1,432,073	(19,620)	11,799,217
Total capital assets being depreciated	<u>89,323,476</u>	<u>1,432,073</u>	<u>(19,620)</u>	<u>90,735,929</u>
Less accumulated depreciation for:				
Buildings and improvements	40,631,167	2,233,779		42,864,946
Machinery and equipment	6,564,820	908,129	(19,620)	7,453,329
Total accumulated depreciation	<u>47,195,987</u>	<u>3,141,908</u>	<u>(19,620)</u>	<u>50,318,275</u>
Total capital assets, being depreciated, net	<u>42,127,489</u>	<u>(1,709,835)</u>	<u>-</u>	<u>40,417,654</u>
Capital assets, net	<u>\$ 100,151,127</u>	<u>\$ 3,080,497</u>	<u>\$ -</u>	<u>\$ 103,231,624</u>

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Depreciation expense was charged to governmental functions as follows:

General support	\$ 430,529
Instruction	2,524,765
Pupil transportation	155,133
Food service program	<u>31,481</u>
Total depreciation expense	<u>\$ 3,141,908</u>

10. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 4,847,332	\$ 2,584,700	\$ 1,950,859	\$ 3,188,400
Special Aid Fund		1,303,572	149,857	
School Food Service Fund		598,740	453,843	
Debt Service Fund	16,855	1,871,365		1,950,859
Capital Projects Fund	<u>2,584,700</u>	<u>1,090,510</u>	<u>2,584,700</u>	
Total Governmental Funds	<u>\$ 7,448,887</u>	<u>\$ 7,448,887</u>	<u>\$ 5,139,259</u>	<u>\$ 5,139,259</u>

The District typically transfers from the general fund to the special aid fund, school food service fund and the capital projects fund per the approved budget. The transfer to the special aid fund was for the District's share of the costs for the summer program for students with disabilities and the state supported Section 4201 schools expenditures. The transfer to the school food service fund was to provide support for the program per the approved budget. The transfer to the capital projects fund was to provide funding for capital improvement projects. The transfer from the debt service fund to the general fund was for the payment of principal and interest on bond indebtedness.

11. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Maturity	Stated Interest Rate	Balance June 30, 2020	Issued	Redeemed	Balance June 30, 2021
BAN	9/4/2020	3.00%	\$ 184,379	\$	\$ (184,379)	\$
BAN	9/3/2021	2.00%		<u>105,973</u>		<u>105,973</u>
			<u>\$ 184,379</u>	<u>\$ 105,973</u>	<u>\$ (184,379)</u>	<u>\$ 105,973</u>

The BANs were issued to provide cash for the District's capital projects. The capital projects fund reflects the short-term balance outstanding of \$105,973.

Interest on short-term debt for the year was \$16,486.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Long-term debt:					
Bond anticipation notes	\$ 644,541	\$ 608,272	\$ (184,379)	\$ 1,068,434	\$ 1,068,434
Bonds payable	24,975,000		(3,435,000)	21,540,000	3,535,000
Add: Premium on refunding	289,472		(152,484)	136,988	136,988
	<u>25,264,472</u>	-	<u>(3,587,484)</u>	<u>21,676,988</u>	<u>3,671,988</u>
Installment purchase debt	411,772		(268,419)	143,353	95,043
Energy performance contract	1,197,418		(288,467)	908,951	295,607
	<u>27,518,203</u>	<u>608,272</u>	<u>(4,328,749)</u>	<u>23,797,726</u>	<u>5,131,072</u>
Other long-term liabilities					
Compensated absences	256,978		(32,626)	224,352	16,000
Workers' compensation	57,448		(57,448)		
	<u>314,426</u>	-	<u>(90,074)</u>	<u>224,352</u>	<u>16,000</u>
	<u>\$ 27,832,629</u>	<u>\$ 608,272</u>	<u>\$ (4,418,823)</u>	<u>\$ 24,022,078</u>	<u>\$ 5,147,072</u>

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

B. Bond Anticipation Notes

The bond anticipation notes payable carries interest at 2.00% and is payable on September 3, 2021. The payable is comprised of the following:

Purpose	Authorization Date	Authorization Amount	Borrowed To Date	Redeemed To Date	Outstanding at June 30, 2020
Bus purchases	5/2014	\$ 464,883	\$ 464,883	\$ (185,953)	\$ 278,930
Bus purchases	5/2019	457,013	457,013	(91,402)	365,611
Bus purchases	6/2020	529,866	529,866		529,866
					<u>\$ 1,174,407</u>

These bond anticipation notes were refinanced on August 31, 2021, after a payment of \$290,352 was made by the District.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Refunding bonds	2009	10/2021	5.00%	\$ 1,390,000
Refunding bonds	2012	10/2021	3.0-4.0%	325,000
Construction bonds	2016	6/2031	2.0-2.375%	16,870,000
Construction bonds	2017	4/2031	2.0-3.0%	2,955,000
				<u>\$ 21,540,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 3,535,000	\$ 483,144	\$ 4,018,144
2023	1,850,000	402,844	2,252,844
2024	1,880,000	363,144	2,243,144
2025	1,915,000	322,794	2,237,794
2026	1,950,000	281,644	2,231,644
2027 - 2031	10,410,000	747,331	11,157,331
Total	<u>\$ 21,540,000</u>	<u>\$ 2,600,901</u>	<u>\$ 24,140,901</u>

D. Advance Refunding

In the district-wide statements, the District is amortizing deferred charges on the advance refunding and a refunding bond premium as a component of interest expense on a straight-line basis as follows:

Year Ending June 30,	Amortization of Deferred Charges	Amortization of Premium	Interest Expense Increase / (Decrease)
2022	<u>\$ 57,425</u>	<u>\$ (136,988)</u>	<u>\$ (79,563)</u>

E. Installment Purchase Debt

Installment purchase debt is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
School buses	2018	9/2022	2.200%	<u>\$ 143,353</u>

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 95,043	\$ 2,646	\$ 97,689
2023	48,310	534	48,844
Total	<u>\$ 143,353</u>	<u>\$ 3,180</u>	<u>\$ 146,533</u>

F. Energy Performance Contract

Energy performance contract is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract	2011	2/2024	2.46%	<u>\$ 908,951</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 295,607	\$ 20,553	\$ 316,160
2023	302,923	13,237	316,160
2024	310,421	5,739	316,160
Total	<u>\$ 908,951</u>	<u>\$ 39,529</u>	<u>\$ 948,480</u>

G. Interest Expense

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

Interest paid	\$ 637,045
Less interest accrued in the prior year	(86,427)
Plus interest accrued in the current year	82,755
Less amortization of premium on refunding	(152,484)
Plus amortization of deferred charges on refunding	<u>64,989</u>
Total interest expense on long-term debt	<u>\$ 545,878</u>

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, 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.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 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 on the New York State Comptroller's website at 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, NY 12244.

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 30th, 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 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. 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 8.86% of covered payroll for the TRS' fiscal year ended June 30, 2020. The District's average contribution rate was 14.53% of covered payroll for the ERS' fiscal year ended March 31, 2021.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2021 was \$4,232,595 for TRS at the contribution rate of 9.53% and \$1,842,155 for ERS at an average contribution rate of 14.03%.

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

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

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2020	March 31, 2021
District's proportionate share of the net pension asset/(liability)	\$ (7,294,677)	\$ (36,449)
District's portion of the Plan's total net pension asset/(liability)	0.263987%	0.0366054%
Change in proportion since the prior measurement date	(0.004054)	(0.0009516)

For the year ended June 30, 2021, the District recognized pension expense of \$9,965,819 for TRS and \$1,071,498 for ERS. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<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	\$ 6,391,596	\$ 445,147	\$ 373,838	\$
Changes of assumptions	9,226,068	6,701,881	3,288,611	126,399
Net difference between projected and actual earnings on pension plan investments	4,764,063			10,470,429
Changes in proportion and differences between the District's contributions and proportionate share of contributions	559,855	686,933	38,239	165,756
District contributions subsequent to the measurement date	<u>4,232,595</u>	<u>526,101</u>		
Total	<u>\$ 25,174,177</u>	<u>\$ 8,360,062</u>	<u>\$ 3,700,688</u>	<u>\$ 10,762,584</u>

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	TRS	ERS
2022	\$ 2,988,577	\$ (416,083)
2023	5,883,285	(57,353)
2024	4,816,501	(484,045)
2025	3,000,897	(1,971,142)
2026	176,035	
Thereafter	375,599	
	<u>\$ 17,240,894</u>	<u>\$ (2,928,623)</u>

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Inflation	2.20%	2.70%
Salary increases	1.90-4.72%	4.40%
Investment rate of return (net of investment expense, including inflation)	7.10%	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-2019, 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.

For TRS, the actuarial assumptions 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

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 Rate of Return	Target Allocation	Long-term Expected Rate of Return
Measurement date		June 30, 2020		March 31, 2021
Asset type				
Domestic equity	33.0%	7.10%	32.0%	4.05%
International equity	16.0%	7.70%	15.0%	6.30%
Global equity	4.0%	7.40%		
Real estate	11.0%	6.80%	9.0%	4.95%
Private equities	8.0%	10.40%	10.0%	6.75%
Alternatives investments			10.0%	3.63-5.95%
Domestic fixed income securities	16.0%	1.80%		
Global fixed income securities	2.0%	1.00%		
High-yield fixed income securities	1.0%	3.90%		
Bonds and mortgages			23.0%	0.00%
Private debt	1.0%	5.20%		
Real estate debt	7.0%	3.60%		
Cash and equivalents	1.0%	0.70%		
Cash			1.0%	0.50%
	100.0%		100.0%	

Real rates of return are net of a long-term inflation assumption of 2.2% for TRS and 2.0% for ERS.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for TRS and 5.90% for ERS (the discount rate used by the ERS at the prior year's measurement date of March 31, 2020, was 6.80%). 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 7.10% 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 (6.10% for TRS and 4.90% for ERS) or 1 percentage point higher (8.10% for TRS and 6.90% for ERS) than the current rate:

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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TRIS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
District's proportionate share of the net pension asset/(liability)	\$ (46,077,960)	\$ (7,294,677)	\$ 25,254,326
ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	\$ (10,116,958)	\$ (36,449)	\$ 9,260,139

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:

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

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the system in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employer and employee contributions for the fiscal year ended June 30, 2021, 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, 2021 amounted to \$4,232,595 of employer contributions and \$307,885 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2021, represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$526,101 of employer contributions. Employee contributions are remitted monthly.

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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. Contributions made by the employer and employees for the year ended June 30, 2021, totaled \$161,875 and \$2,979,406, respectively.

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, 2021, totaled \$237,930.

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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	688
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>558</u>
	<u><u>1,246</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$219,024,219 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

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:

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	6.60% decreasing to an ultimate rate of 4.10% over 56 years
Retirees' share of benefit-related costs	12-26% 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 the RP-2014 Total Dataset Mortality Table generationally projected using Scale MP-Ultimate. This assumption includes a margin for future improvements in longevity.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 210,576,703</u>
Changes for the year	
Service cost	8,453,981
Interest	4,769,382
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,702,602
Benefit payments	<u>(6,478,449)</u>
	<u>8,447,516</u>
Balance at June 30, 2021	<u>\$ 219,024,219</u>

Change of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

OPEB	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	<u>\$ (257,487,894)</u>	<u>\$ (219,024,219)</u>	<u>\$ (188,305,846)</u>

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.60%) or 1 percentage point higher (7.60%) than the current healthcare cost trend rate:

	1% Decrease 5.60%	Healthcare Cost Trend Rates 6.60%	1% Increase 7.60%
	decreasing to	decreasing to	decreasing to
OPEB	3.10%	4.10%	5.10%
Total OPEB liability	\$ (185,758,920)	\$ (219,024,219)	\$ (262,536,638)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$12,431,144. At June 30, 2021, 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	\$	\$ 658,262
Changes of assumptions	8,743,330	7,385,696
Total	\$ 8,743,330	\$ 8,043,958

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
2022	\$ (792,219)
2023	(792,219)
2024	(264,668)
2025	1,847,356
2026	701,122
	\$ 699,372

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

B. Risk Retention

The District was self-insured for risks associated with workers' compensation claims prior to July 1, 2014, at which time they joined the Nassau County Schools Cooperative Workers' Compensation Self-Insured Plan. Liabilities for outstanding claims of the prior self-insured plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported and unreported claims which were incurred on or before year-end but not reported (IBNR) at June 30, 2020. It was determined that there were no claims outstanding for the period in which the District was self-insured at June 30, 2021. Claims activity is summarized below:

	2020	2021
Unpaid claims at beginning of year	\$ 57,448	\$ 57,448
Incurred claims and claim adjustment expenses	-	(57,448)
Claim payments	-	-
Unpaid claims at year end	\$ 57,448	\$ -

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.

The District participates in the Nassau County Schools Cooperative Workers Compensation Self-Insured Plan (the Workers' Compensation Plan), a risk sharing pool, to insure workers' compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Workers' Compensation Plan's total liability for unbilled and opened claims at June 30, 2021, undiscounted was \$19,476,281. The Workers' Compensation Plan has net assets of \$23,399,025 at June 30, 2021 to pay these liabilities. If the District leaves the plan or if the plan is terminated, the District will be liable for the District's open claims at the time. At June 30, 2021, the District's open claims, undiscounted, are \$1,306,398.

At June 30, 2021, the District had \$58,644 of funds in the workers' compensation reserve.

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

17. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2021 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2022:

Retirement Contribution Reserve:	
Teachers' retirement system	\$ 800,000
Employees' retirement system	<u>850,000</u>
	<u>\$ 1,650,000</u>

18. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$700,000 has been appropriated to reduce taxes for the year ending June 30, 2021.

19. RESTRICTED FOR CAPITAL RESERVE

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

Date Created	May 2015	May 2017	June 2020	
Number of Years to Fund	10	20	25	
Maximum Funding	<u>\$ 10,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>	
				<u>Total</u>
General Fund				
Funding Provided Since Inception	\$ 10,000,000	\$ 11,114,190	\$ 3,636,752	\$ 24,750,942
Interest Earnings Since Inception	146,404	191,586	4,200	342,190
Use of Reserve Since Inception	<u>(8,007,287)</u>			<u>(8,007,287)</u>
Total General Fund	<u>2,139,117</u>	<u>11,305,776</u>	<u>3,640,952</u>	<u>17,085,845</u>
Capital Projects Fund				
Funding Provided Since Inception	8,007,287	-	-	8,007,287
Use of Reserve Since Inception	<u>(6,440,588)</u>			<u>(6,440,588)</u>
Total Capital Projects Fund	<u>1,566,699</u>	<u>-</u>	<u>-</u>	<u>1,566,699</u>
Balance as of June 30, 2020	<u>\$ 3,705,816</u>	<u>\$ 11,305,776</u>	<u>\$ 3,640,952</u>	<u>\$ 18,652,544</u>

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

20. RESTATEMENT OF FUND BALANCE AND NET POSITION

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, which resulted in an increase of \$314,765 in fund balance of the governmental funds, as well as the Statement of Net Position. The District's net fund balance and net position have been restated as follows:

	General Fund	Extraclassroom Activities Fund	Scholarships Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Reported	\$ 30,399,195	\$	\$	\$ (77,065,341)
<i>Assets</i>				
Cash	1,296,067	125,144	186,383	1,607,594
Accounts receivable	1,971			1,971
Due from fiduciary fund	(829,920)			(829,920)
	<u>468,118</u>	<u>125,144</u>	<u>186,383</u>	<u>779,645</u>
<i>Liabilities</i>				
Due to fiduciary fund			(3,675)	(3,675)
Other liabilities	468,118		437	468,555
	<u>468,118</u>	<u></u>	<u>(3,238)</u>	<u>464,880</u>
<i>Fund Balance/Net Position (Deficit)</i>				
Restricted			189,621	189,621
Assigned, unappropriated		125,144		
Unrestricted				125,144
	<u>-</u>	<u>125,144</u>	<u>189,621</u>	<u>314,765</u>
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Restated	<u>\$ 30,399,195</u>	<u>\$ 125,144</u>	<u>\$ 189,621</u>	<u>\$ (76,750,576)</u>

21. TAX ABATEMENTS

The Nassau County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The amount of property tax revenue that was reduced as a result of these programs was \$5,566,506. The District received payment in lieu of taxes (PILOT) payments totaling \$4,108,119.

22. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

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

ROSLYN UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted Fund Balance	
Capital Projects Fund	
Capital projects	<u>\$ 3,538,018</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	306,669
Instruction	141,576
Pupil Transportation	<u>135</u>
	<u>448,380</u>
Capital Projects Fund	
Capital projects	<u>2,486,568</u>
	<u><u>\$ 6,472,966</u></u>

B. Grants

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

C. Litigation

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

23. 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, noting no matters requiring financial statement disclosure, with the exception of the following matter:

A. Issuance of Bond Anticipation Notes

On August 31, 2021, the District issued bond anticipation notes in the amount of \$1,347,337, which are due August 31, 2022 and bear interest at 0.27%.

B. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

In September 2021, the District was awarded CRRSA funding of \$401,996 through the Elementary and Secondary School Emergency Relief (ESSER) Program. These funds are to be used for eligible expenditures which support the District's ability to continue to provide educational services. The revenues, once the award takes place, are to be recognized in the special aid fund as expended.

ROSLYN UNION FREE SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 92,781,273	\$ 94,024,069	\$ 94,087,236	\$ 63,167
Other tax items	9,530,901	8,288,105	8,641,000	352,895
Charges for services	2,050,000	2,050,000	2,334,037	284,037
Use of money and property	350,000	350,000	80,805	(269,195)
Sale of property and compensation for loss			76,785	76,785
Miscellaneous	50,000	52,700	435,977	383,277
Total Local Sources	104,762,174	104,764,874	105,655,840	890,966
State Sources	7,161,012	7,161,012	6,970,599	(190,413)
Medicaid Reimbursement			52,014	52,014
Federal Sources			134,057	134,057
Total Revenues	111,923,186	111,925,886	112,812,510	886,624
OTHER FINANCING SOURCES				
Operating Transfers In	1,947,050	1,947,050	1,950,859	3,809
Total Revenues and Other Sources	113,870,236	113,872,936	114,763,369	\$ 890,433
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	700,000	709,809		
Prior Year's Encumbrances	582,655	582,655		
Appropriated Reserves	760,000	1,584,832		
Total Appropriated Fund Balance	2,042,655	2,877,296		
Total Revenues, Other Sources and Appropriated Fund Balance	\$ 115,912,891	\$ 116,750,232		

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.

ROSLYN 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, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 140,603	\$ 139,353	\$ 102,713	\$	\$ 36,640
Central administration	378,293	396,293	384,775		11,518
Finance	1,313,962	1,354,911	1,281,940	7,337	65,634
Staff	981,844	1,176,917	1,116,747	368	59,802
Central services	11,566,326	13,399,182	12,855,683	260,438	283,061
Special items	1,192,407	1,192,157	1,073,458	38,526	80,173
Total General Support	15,573,435	17,658,813	16,815,316	306,669	536,828
Instruction					
Administration & improvement	5,553,664	5,640,763	5,446,478	9,014	185,271
Teaching - regular school	30,681,312	29,596,382	29,014,650	58,901	522,831
Programs for students with disabilities	12,310,864	12,423,974	11,944,171	4,525	475,278
Occupational education	178,122	53,122	53,122		-
Teaching - special schools	367,566	323,445	121,371	1,162	200,912
Instructional media	2,479,032	2,495,348	2,347,285	3,724	144,339
Pupil services	6,250,913	6,424,704	5,659,842	64,250	700,612
Total Instruction	57,821,473	56,957,738	54,586,919	141,576	2,229,243
Pupil Transportation	5,121,700	5,619,470	4,942,402	135	676,933
Community Services	11,738	11,738	-		11,738
Employee Benefits	29,486,064	27,665,169	26,450,393		1,214,776
Debt Service					
Principal	4,165,671	4,176,265	4,176,265		-
Interest	654,203	654,203	653,531		672
Total Debt Service	4,819,874	4,830,468	4,829,796	-	672
Total Expenditures	112,834,284	112,743,396	107,624,826	448,380	4,670,190
OTHER USES					
Operating Transfers Out	3,078,607	4,006,836	3,188,400		818,436
Total Expenditures and Other Uses	\$ 115,912,891	\$ 116,750,232	110,813,226	\$ 448,380	\$ 5,488,626
Net Change in Fund Balance			3,950,143		
Fund Balance - Beginning of Year			30,399,195		
Fund Balance - End of Year			<u>\$ 34,349,338</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.

ROSLYN UNION FREE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
 Last Seven Fiscal Years

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.263987%	0.268041%	0.269273%	0.272652%	0.271417%	0.275516%	0.280684%
District's proportionate share of the net pension asset (liability)	\$ (7,294,677)	\$ 6,963,722	\$ 4,869,159	\$ 2,072,424	\$ (2,906,985)	\$ 28,617,326	\$ 31,266,460
District's covered payroll	\$ 44,806,975	\$ 42,166,629	\$ 43,861,480	\$ 43,206,313	\$ 42,808,652	\$ 42,124,107	\$ 42,362,914
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	16.28 %	(16.51)%	(11.10)%	(4.80)%	(6.79)%	67.94 %	73.81 %
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rates	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0366054%	0.0375570%	0.0392121%	0.0380468%	0.0397127%	0.0396993%	0.0391419%
District's proportionate share of the net pension liability	\$ (36,449)	\$ (9,945,309)	\$ (2,778,297)	\$ (1,227,941)	\$ (3,731,492)	\$ (6,371,853)	\$ (1,322,309)
District's covered payroll	\$ 12,585,944	\$ 12,374,241	\$ 12,657,514	\$ 12,855,481	\$ 11,897,495	\$ 11,918,061	\$ 11,269,229
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.29 %	80.37 %	21.95 %	9.55 %	31.36 %	53.46 %	11.73 %
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%
Discount rates	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.

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

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 4,232,595	\$ 3,969,898	\$ 4,751,430	\$ 4,298,425	\$ 5,063,780	\$ 5,676,427	\$ 7,384,356	\$ 6,801,177	\$ 4,951,700	\$ 4,657,767
Contributions in relation to the contractually required contribution	<u>4,232,595</u>	<u>3,969,898</u>	<u>4,751,430</u>	<u>4,298,425</u>	<u>5,063,780</u>	<u>5,676,427</u>	<u>7,384,356</u>	<u>6,801,177</u>	<u>4,951,700</u>	<u>4,657,767</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered payroll	\$ 44,413,379	\$ 44,806,975	\$ 42,166,629	\$ 43,861,480	\$ 43,206,313	\$ 42,808,652	\$ 42,124,107	\$ 42,362,914	\$ 42,330,643	\$ 42,552,616
Contributions as a percentage of covered payroll	10%	9%	11%	10%	12%	13%	18%	16%	12%	11%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,842,155	\$ 1,840,530	\$ 1,884,284	\$ 1,768,128	\$ 1,725,526	\$ 2,000,013	\$ 2,157,779	\$ 2,295,501	\$ 2,319,563	\$ 1,663,894
Contributions in relation to the contractually required contribution	<u>1,842,155</u>	<u>1,840,530</u>	<u>1,884,284</u>	<u>1,768,128</u>	<u>1,725,526</u>	<u>2,000,013</u>	<u>2,157,779</u>	<u>2,295,501</u>	<u>2,319,563</u>	<u>1,663,894</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered payroll	\$ 13,133,952	\$ 12,494,157	\$ 12,603,150	\$ 12,874,071	\$ 12,047,041	\$ 11,816,302	\$ 11,321,673	\$ 10,464,661	\$ 10,648,201	\$ 10,766,808
Contributions as a percentage of covered payroll	14%	15%	15%	14%	14%	17%	19%	22%	22%	15%

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 8,453,981	\$ 7,360,905	\$ 7,729,984	\$ 7,504,839
Interest	4,769,382	6,903,827	6,158,583	5,929,154
Changes in benefit terms	-	(176,674)	-	-
Differences between expected and actual experience	-	(953,710)	-	(16,462)
Changes of assumptions or other inputs	1,702,602	10,745,574	(15,298,943)	-
Benefit payments	<u>(6,478,449)</u>	<u>(6,334,523)</u>	<u>(6,183,123)</u>	<u>(5,809,784)</u>
Net change in total OPEB liability	8,447,516	17,545,399	(7,593,499)	7,607,747
Total OPEB liability, beginning	<u>210,576,703</u>	<u>193,031,304</u>	<u>200,624,803</u>	<u>193,017,056</u>
Total OPEB liability, ending	<u><u>\$ 219,024,219</u></u>	<u><u>\$ 210,576,703</u></u>	<u><u>\$ 193,031,304</u></u>	<u><u>\$ 200,624,803</u></u>
Covered employee payroll	\$ 51,363,941	\$ 51,363,941	\$ 50,844,539	\$ 50,844,539
Total OPEB liability as a percentage of covered employee payroll	426.42%	409.97%	379.65%	394.58%
Discount rates	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	6.60% to 4.10% over 56 years	6.60% to 4.10% over 56 years	7.50% to 4.50% by 2023	7.50% to 4.50% 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.

Note 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.

ROSLYN 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, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 115,330,236
Additions:		
Prior year's encumbrances		582,655
Original Budget		115,912,891
Budget revisions		837,341
Final Budget		\$ 116,750,232

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget		\$ 118,663,250
Maximum allowed (4% of 2021-2022 budget)		\$ 4,746,530
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 1,148,380	
Unassigned fund balance	4,723,771	
		\$ 5,872,151
Less:		
Appropriated fund balance	700,000	
Encumbrances	448,380	
Total adjustments		1,148,380
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		\$ 4,723,771
Actual Percentage		3.98%

ROSLYN UNION FREE SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2021

PROJECT TITLE	Budget June 30, 2020	Budget June 30, 2021	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2021
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
District-wide 1994-2012	\$ 12,142,765	\$ 11,987,884	\$ 11,417,133	\$	\$ 11,417,133	\$ 570,751	\$	\$ 500,000	\$ 11,487,884	\$ 11,987,884	\$ 570,751
District-wide 2012-2013	532,321	532,321	475,199		475,199	57,122			532,321	532,321	57,122
District-wide 2013-2014	3,283,286	3,283,286	3,170,308		3,170,308	112,978		100,000	3,183,286	3,283,286	112,978
Bond 2014/Capital reserve	50,926,783	50,988,845	48,623,517	38,249	48,661,766	2,327,079	28,535,000		22,453,845	50,988,845	2,327,079
District-wide 2016-2017	761,328	564,828	289,241		289,241	275,587			564,828	564,828	275,587
District-wide capital reserve	1,051,113	961,736	674,083		674,083	287,653			961,736	961,736	287,653
Smart Schools Bond Act	361,290	361,290	181,706		181,706	179,584		361,290		361,290	179,584
Installment purchase contract	460,790	460,790	460,790		460,790	-			460,790	460,790	-
District-wide 2018-2019	1,130,000	2,048,483	1,613,008	72,347	1,685,355	363,128			2,048,483	2,048,483	363,128
2015 Construction capital reserve	7,400,000	9,951,777	1,183,315	4,649,987	5,833,302	4,118,475			9,951,777	9,951,777	4,118,475
District-wide 2019-2020	1,750,000				-	-				-	-
Bus Purchases (BAN) 2018-2019	464,883	464,883	464,883		464,883	-	464,883			464,883	-
Bus Purchases (BAN) 2019-2020	457,014	457,014	457,014		457,014	-	457,014			457,014	-
Bus Purchases (BAN) 2020-2021		529,867		529,867	529,867	-	529,867			529,867	-
District-wide 2020-2021		1,243,141		29,750	29,750	1,213,391			1,243,141	1,243,141	1,213,391
Totals	\$ 80,721,573	\$ 83,836,145	\$ 69,010,197	\$ 5,320,200	\$ 74,330,397	\$ 9,505,748	\$ 29,986,764	\$ 961,290	\$ 52,888,091	\$ 83,836,145	9,505,748
									Less: Revenues not yet realized		(361,290)
									Less: Unissued long-term debt		(105,973)
											<u>\$ 9,038,485</u>

ROSLYN UNION FREE SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2021

Capital assets, net	<u>\$ 103,231,624</u>
Deduct:	
Bond anticipation notes payable	1,068,434
Short-term portion of bonds payable	3,535,000
Long-term portion of bonds payable	18,005,000
Short-term portion of installment purchase debt	95,043
Long-term portion of installment purchase debt	48,310
Short-term portion of energy performance contract	295,607
Long-term portion of energy performance contract	<u>613,344</u>
	<u>23,660,738</u>
Net Investment in Capital Assets	<u><u>\$ 79,570,886</u></u>



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(1950 - 2013)

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**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
Roslyn Union Free School District
Roslyn, 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 Roslyn Union Free School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2021. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Roslyn 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 Roslyn Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Roslyn 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 may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that we have reported to the Board of Education, Audit Committee, and management of the Roslyn Union Free School District in a separate letter dated October 22, 2021.

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

October 22, 2021

