

**PLAINVIEW-OLD BETHPAGE
CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS**

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Plainview-Old Bethpage Central School District

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 Plainview Old-Bethpage Central School District (the "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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis on Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, the schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability and related ratios on pages 3 through 17 and 55 through 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

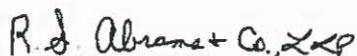
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



R.S. Abrams & Co., LLP
Islandia, NY
October 7, 2021

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plainview-Old Bethpage Central School District's (the "District") 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 fiscal 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:

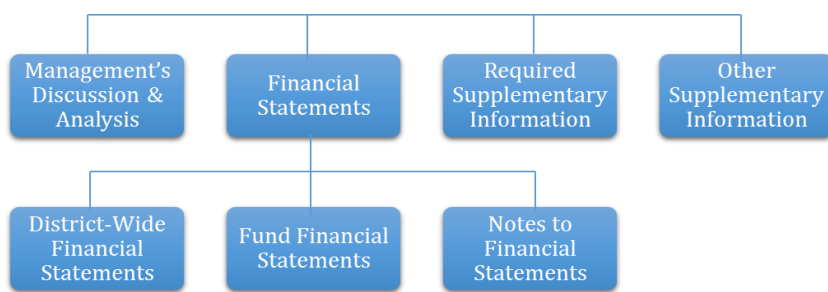
- The District's total net position (deficit), as reflected in the district-wide financial statements, increased by \$14,865,680. This was due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's total net position at June 30, 2020 was restated and increased by \$567,387, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year. Note 2 to the financial statements provides information about the implementation of GASB Statement No. 84.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$174,408,272. Of this amount, \$4,621,668 was offset by program charges for services, operating grants and contributions, and capital grants. General revenues of \$154,920,924 amount to 97.10% of total revenues, and were not adequate to cover the balance of program expenses.
- The District's general fund fund balance, as reflected in the fund financial statements was \$30,587,618 at June 30, 2021. This balance represents a \$772,584 decrease from the prior year due to an excess of expenditures and other financing uses over revenues, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
 - Restricted fund balances increased by \$1,768,198 due to funding of reserves and interest allocated to the reserves, offset by the use of reserves.
 - Assigned fund balance decreased \$2,696,524, as open encumbrances at year end decreased, and the District lowered the fund balance appropriated to fund the 2022 budget.
 - Unassigned fund balance increased by \$155,742 to \$6,725,686.
- The District's 2021 property tax levy of \$128,371,510 was a 1.98% increase over the 2020 tax levy. The District's property tax cap was 3.10%.
- On December 9, 2014, the voters approved a bond issue not to exceed \$49,816,257 for District-wide infrastructure upgrades and reconstruction projects. As of June 30, 2021, the District has issued \$44,940,000 in bonds, including \$4,500,000 issued in June 2021. The District also provided \$700,000 of funding from general fund appropriations in the 2018-2019 fiscal year. Total permanent financing obtained to date for the capital projects equals \$45,640,000. Work is near completion and expenditures are recorded in the capital projects fund.
- On August 12, 2019, the Board of Education authorized the District's legal counsel to draft a contract to sell the Fern Place School Building to the Association for Children with Down Syndrome, Inc. at a sale price of \$3,150,000. The sale includes the school building and parking lot, but not the adjacent field or parcel of land utilized by the District's Pasadena Elementary School. The sale was completed and closed on July 30, 2021.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

- The District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief Program (ESSER) and the Governor's Emergency Education Relief Program (GEER) in the amount of \$115,110. The District applied for additional funding in the amount of \$4,064,184 through the ESSER 2 program and \$685,533 through the GEER 2 program, allocated under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District received the grant award notifications for ESSER 2 and GEER 2 in August 2021 and September 2021, respectively. In addition, the District applied for and is awaiting approval for \$768,848 in grant funds through the American Rescue Plan (ARP) Act.

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.

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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, 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.

The District maintains eight individual governmental funds: general fund, special aid fund, special revenue child care 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

Certain balances at June 30, 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 certain agency fund activities in the general fund, and the extraclassroom activities and scholarships funds as separate governmental funds. The changes resulted in an increase to total net position. The following is a summary of these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and Other Assets	\$ 75,525,402	\$ 74,161,490	\$ 1,363,912
Current and Other Liabilities	21,026,520	20,229,995	796,525
Restricted Net Position	36,726,432	36,496,582	229,850
Unrestricted Net Position (Deficit)	(110,354,642)	(110,692,179)	337,537
Total Net Position (Deficit)	(16,906,554)	(17,473,941)	567,387

The District's total net position decreased by \$14,865,680 between fiscal year 2021 and 2020. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Asset				
Current and Other Assets	\$ 67,897,979	\$ 75,525,402	\$ (7,627,423)	(10.10)%
Capital Assets, Net	105,673,736	100,193,047	5,480,689	5.47 %
Net Pension Asset - Proportionate Share		10,074,142	(10,074,142)	(100.00)%
Total Assets	173,571,715	185,792,591	(12,220,876)	(6.58)%
Deferred Outflows of Resources	67,899,100	63,779,823	4,119,277	6.46 %
Liabilities				
Current and Other Liabilities	17,930,146	21,026,520	(3,096,374)	(14.73)%
Long-Term Liabilities	51,221,059	50,631,620	589,439	1.16 %
Net Pension Liabilities - Proportionate Share	10,676,188	11,588,224	(912,036)	(7.87)%
Total OPEB Liability	168,693,974	161,187,523	7,506,451	4.66 %
Total Liabilities	248,521,367	244,433,887	4,087,480	1.67 %
Deferred Inflows of Resources	24,721,682	22,045,081	2,676,601	12.14 %
Net Position (Deficit)				
Net Investment in Capital Assets	62,869,062	56,721,656	6,147,406	10.84 %
Restricted	34,676,810	36,726,432	(2,049,622)	(5.58)%
Unrestricted (Deficit)	(129,318,106)	(110,354,642)	(18,963,464)	(17.18)%
Total Net Position (Deficit)	\$ (31,772,234)	\$ (16,906,554)	\$ (14,865,680)	(87.93)%

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The decrease in current and other assets is primarily due to a decrease in cash and cash equivalents partially offset by an increase in due from state and federal.

The increase in capital assets, net is due to capital asset additions in excess of depreciation expense. The accompanying Notes to Financial Statements, Note 11, "Capital Assets," provides additional information.

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. The accompanying Notes to Financial Statements, Note 14, "Pension Plans – New York State," provides additional information.

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

The decrease in current and other liabilities is primarily due to the repayment of bond anticipation notes payable and a decrease in accounts payable, offset by increases in amounts due to other governments and due to teachers' retirement system.

The increase in long-term liabilities is the result of the issuance of new serial bonds, offset by the repayment of the current maturity of existing debt and a decrease in the total long-term compensated absences liability.

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 14, "Pension Plans – New York State," provides additional information.

The total other postemployment benefits (OPEB) liability increased, based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 16, "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 net position relates to the District's reserves and amounts restricted for debt service and scholarships. This number decreased from the prior year due to use of the reserves, offset by the authorized transfers into the reserves, plus interest earned.

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, or other amounts restricted for specific purposes. 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 New York 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Changes in Net Position

The June 30, 2020 revenues for charges for services and operating grants & contributions, and instruction expenses were increased, resulting from the implementation of GASB Statement No. 84, *Fiduciary Activities*, as follows:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Charges for Services	\$ 2,157,129	\$ 1,707,583	\$ 449,546
Operating Grants and Contributions	2,325,457	2,298,020	27,437
Instruction	136,110,189	135,658,416	451,773

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:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 969,788	\$ 2,157,129	\$ (1,187,341)	(55.04)%
Operating Grants and Contributions	3,472,504	2,325,457	1,147,047	49.33 %
Capital Grants	179,376	68,479	110,897	161.94 %
General Revenues				
Property Taxes and STAR	128,442,534	125,879,542	2,562,992	2.04 %
State Sources	19,924,489	20,576,135	(651,646)	(3.17)%
Other	6,553,901	6,306,847	247,054	3.92 %
Total Revenues	<u>159,542,592</u>	<u>157,313,589</u>	<u>2,229,003</u>	1.42 %
Expenses				
General Support	20,866,268	21,851,354	(985,086)	(4.51)%
Instruction	143,054,108	136,110,189	6,943,919	5.10 %
Pupil Transportation	7,789,420	8,184,174	(394,754)	(4.82)%
Community Service	64,172	211,541	(147,369)	(69.66)%
Debt Service - Interest	1,368,298	1,386,562	(18,264)	(1.32)%
Food Service Program	1,266,006	981,668	284,338	28.96 %
Total Expenses	<u>174,408,272</u>	<u>168,725,488</u>	<u>5,682,784</u>	3.37 %
Change in Net Position	<u>\$ (14,865,680)</u>	<u>\$ (11,411,899)</u>	<u>\$ (3,453,781)</u>	(30.26)%

The District's change in net position was a decrease of \$14,865,680 and \$11,411,899 for the years ended June 30, 2021 and 2020, respectively.

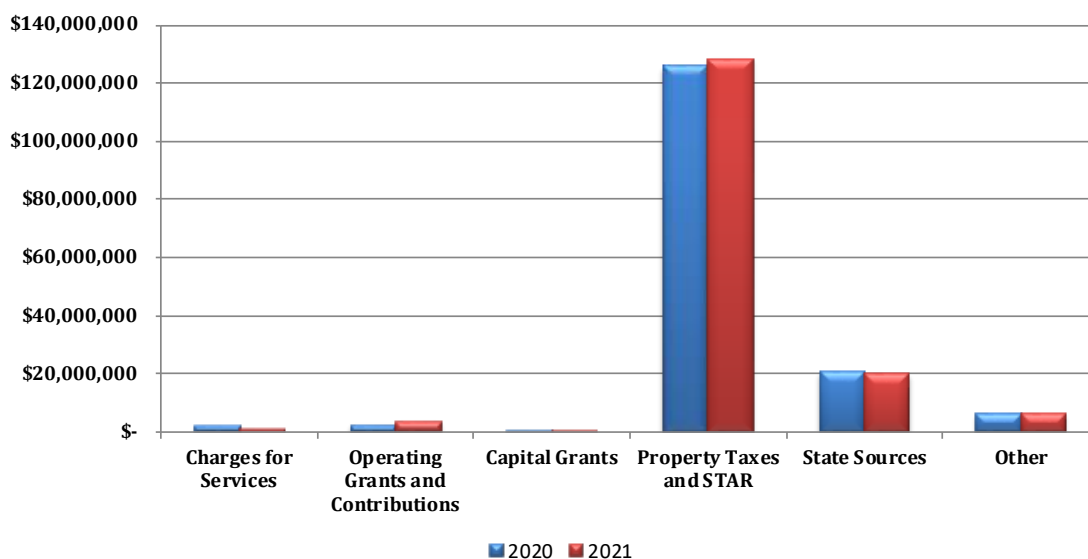
The District's revenues increased by \$2,229,003, or 1.42%, primarily due to the increase in property taxes and STAR, partially offset by the decrease in charges for services.

The District's total expenses for the year increased by \$5,682,784, or 3.37%, primarily due to an increase in instruction, which is due to the impact of the net change in other postemployment benefits costs allocated.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

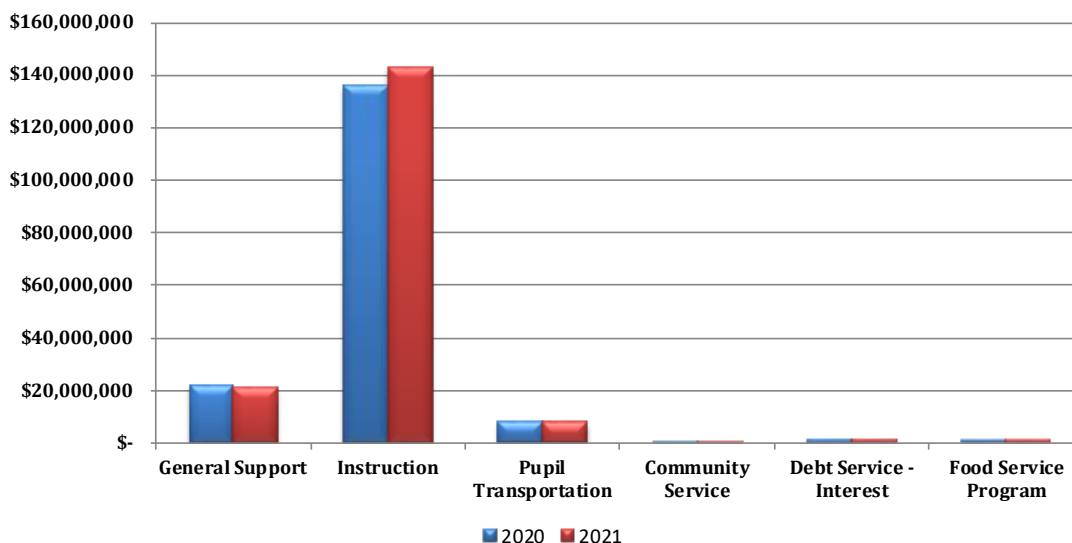
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 80.5% and 80.0% of the total for the years 2021 and 2020, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 82.0% and 80.6% of the total for the years 2021 and 2020, respectively).

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



	Charges for Services	Operating Grants and Contributions	Capital Grants	Property Taxes and STAR	State Sources	Other
2020	1.4%	1.5%	0.0%	80.0%	13.1%	4.0%
2021	0.6%	2.2%	0.1%	80.5%	12.5%	4.1%

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	13.0%	80.6%	4.9%	0.1%	0.8%	0.6%
2021	12.0%	82.0%	4.5%	0.0%	0.8%	0.7%

PLAINVIEW-OLD BETHPAGE CENTRAL 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 \$49,345,313 compared to \$53,560,467 in 2020. 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:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
General Fund				
Restricted				
Unemployment insurance	\$ 644,044	\$ 642,438	\$ 1,606	0.25 %
Retirement contribution				
Teachers' retirement system	3,867,690	2,564,749	1,302,941	50.80 %
Employees' retirement system	7,055,571	7,230,763	(175,192)	(2.42)%
Employee benefit accrued liability	6,258,523	6,923,473	(664,950)	(9.60)%
Capital	2,253,026	951,161	1,301,865	136.87 %
Repairs	773,190	771,262	1,928	0.25 %
Assigned:				
Appropriated fund balance	2,600,000	4,661,236	(2,061,236)	(44.22)%
Unappropriated fund balance	409,888	1,045,176	(635,288)	(60.78)%
Unassigned: Fund balance	6,725,686	6,569,944	155,742	2.37 %
	<u>30,587,618</u>	<u>31,360,202</u>	<u>(772,584)</u>	<u>(2.46)%</u>
Special Revenue Child Care Fund				
Assigned: Unappropriated fund balance		53,864	(53,864)	(100.00)%
Unassigned: Fund balance (deficit)	(293,059)		(293,059)	N/A
	<u>(293,059)</u>	<u>53,864</u>	<u>(346,923)</u>	<u>(644.07)%</u>
School Food Service Fund				
Nonspendable: Inventory	5,032	2,717	2,315	85.20 %
Assigned: Unappropriated fund balance	452,305	504,062	(51,757)	(10.27)%
	<u>457,337</u>	<u>506,779</u>	<u>(49,442)</u>	<u>(9.76)%</u>
Debt Service Fund				
Restricted: Debt	537,135	462,126	75,009	16.23 %
Capital Projects Fund				
Restricted:				
Capital	13,071,816	16,950,610	(3,878,794)	(22.88)%
Unspent bond proceeds	75,326		75,326	N/A
Assigned: Unappropriated fund balance	4,360,278	3,659,499	700,779	19.15 %
	<u>17,507,420</u>	<u>20,610,109</u>	<u>(3,102,689)</u>	<u>(15.05)%</u>
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	333,047	337,537	(4,490)	(1.33)%
Scholarships Fund				
Restricted: Scholarships	215,815	229,850	(14,035)	(6.11)%
Total Fund Balance	<u>\$ 49,345,313</u>	<u>\$ 53,560,467</u>	<u>\$ (4,215,154)</u>	<u>(7.87)%</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The net change in the general fund – fund balance is a decrease of \$772,584, compared to a decrease of \$2,159,848 in 2020. This resulted from expenditures and other financing uses in excess of revenues.

Revenues increased by \$2,309,791 (1.51%) over the prior year revenues. This increase was primarily due to increases in real property taxes and other tax items (\$3,391,248) and federal sources of \$115,110, partially offset by decreases in use of money and property (\$250,454) and operating transfers in (\$741,109). The capital projects fund transferred unspent projects balances and the childcare fund made a budgeted transfer to the general fund last year, no such transfers were made in 2021. The increase in real property taxes and STAR was in accordance with the voter approved 2020-2021 budget. Use of money and property decreased because of lower interest rates during the 2020-21 fiscal year.

Expenditures and other financing uses increased by \$922,527 (0.59%). This increase is primarily due to an increase in instruction. The increase in instructional expenses is due to the District hiring more teachers and substitutes in the current year as schools reopened.

As part of the 2020-2021 budget the District appropriated \$90,000 from the unemployment insurance reserve to fund unemployment costs, \$2,519,974 from the retirement contribution reserve to fund costs associated with contributions to the New York State and Local Employees' Retirement System, and \$682,259 from the employee benefit accrued liability reserve to fund retiree payouts. The District expects to appropriate \$3,547,923 from reserves during 2021-2022.

On May 18, 2010, the voters of the District approved the creation of a capital reserve to fund future building renovations and potential infrastructure needs for a total of \$5,000,000 with a funding period of seven years. As of June 30, 2021, \$4,806,812 of funding has been provided. The reserve has earned interest of \$189,653 since inception and in prior years, the District appropriated \$4,803,500 from the reserve to fund capital projects. As of June 30, 2021, the reserve has a balance of \$192,965.

On May 17, 2015, the voters of the District approved the creation of a capital reserve to fund future building renovations and potential infrastructure needs for a total of \$5,000,000 with a funding period of seven years. As of June 30, 2021, \$5,000,000 of funding has been provided. The reserve has earned interest of \$12,556 since inception and in prior years, the District appropriated \$5,000,000 from the reserve to fund capital projects. As of June 30, 2021, the reserve has a balance of \$12,556.

On May 16, 2017, the voters of the District approved the creation of a capital reserve to fund future building renovations and potential infrastructure needs for a total of \$25,000,000 with a funding period of seven years. As of June 30, 2021, \$17,354,516 of funding has been provided, including \$1,300,000 in the 2020-2021 fiscal year. The reserve has earned interest of \$92,989 since inception and the District has appropriated \$15,400,000 from the reserve to fund capital projects, including \$3,800,000 in the 2020-2021 fiscal year. As of June 30, 2021, the reserve has a balance of \$2,047,505.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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
Unemployment insurance	\$ 642,438	\$	\$ 1,606	\$	\$ 644,044	\$ 200,000
Retirement contribution						
TRS	2,564,749		6,411	1,296,530	3,867,690	
ERS	7,230,763	(2,383,951)	18,077	2,190,682	7,055,571	2,665,664
EBALR	6,923,473	(682,259)	17,309		6,258,523	682,259
Capital	951,161		1,865	1,300,000	2,253,026	
Repairs	771,262		1,928		773,190	
	<u>\$ 19,083,846</u>	<u>\$ (3,066,210)</u>	<u>\$ 47,196</u>	<u>\$ 4,787,212</u>	<u>\$ 20,852,044</u>	<u>\$ 3,547,923</u>

B. Special Revenue Child Care Fund

The net change in the special revenue child care fund – fund balance is a decrease of \$346,923, which was due to the operating loss of the special revenue child care program from the loss of revenues caused by the COVID-19 pandemic.

C. School Food Service Fund

The net change in the school food service fund – fund balance is a decrease of \$49,442, which was the operating loss of the food service program.

D. Debt Service Fund

The debt service fund – fund balance increased by \$75,009, which was from a bond issuance premium.

E. Capital Projects Fund

The net change in the capital projects fund – fund balance is a decrease of \$3,102,689. Expenditures incurred during the year on capital projects totaled \$8,602,689. These expenditures were offset by operating transfers of \$1,000,000 from the general fund, and bond proceeds of \$4,500,000.

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

	Balance @ June 30, 2020	Use of Reserves	Funding	Balance @ June 30, 2021
May 2010	\$ 31,493	\$	\$	\$ 31,493
May 2014	333,516	(65,611)		267,905
May 2015	2,309,579	(129,173)		2,180,406
May 2017	14,276,022	(3,684,010)		10,592,012
	<u>\$ 16,950,610</u>	<u>\$ (3,878,794)</u>	<u>\$</u>	<u>\$ 13,071,816</u>

F. Extraclassroom Activities Fund

The net change in the extraclassroom activities fund – fund balance is a decrease of \$4,490. Expenditures for extracurricular activities (\$273,399) exceeded fundraising, collections, and interest (\$268,909).

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

G. Scholarships Fund

The net change in the scholarships fund – fund balance is a decrease of \$14,035. Scholarships awarded to students (\$27,969) exceeded donations and interest (\$13,934).

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the year ended June 30, 2021 was \$164,248,598. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,045,176 and a budget revision in the amount of \$115,110 for a total final budget of \$165,408,884.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$128,371,510 in estimated real property taxes.

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

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

Opening, Unassigned Fund Balance	\$ 6,569,944
Revenues Under Budget	(671,748)
Expenditures and Encumbrances Under Budget	8,487,921
Unused Appropriated Reserves	(226,023)
Allocation to Reserves	(4,834,408)
Appropriated to Fund the June 30, 2022 Budget	<u>(2,600,000)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 6,725,686</u></u>

Opening, Unassigned Fund Balance

The \$6,569,944 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned.

Revenues Under Budget

The 2020-2021 final budget for revenues and other financing sources was \$156,410,239. Actual revenues and other financing sources recognized for the year were \$155,738,491. The deficiency of actual revenue under estimated or budgeted revenue was \$671,748, 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures and other financing uses, including prior year open encumbrances as of June 30, 2020, was \$165,408,884. Actual expenditures and other financing uses as of June 30, 2021 were \$156,511,075 and outstanding encumbrances were \$409,888. Combined, the expenditures and other financing uses plus encumbrances for 2020-2021 were \$156,920,963. The final budget variance was \$8,487,921, 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.

Unused Appropriated Reserves

In the 2020-2021 budget, \$3,292,233 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, only \$3,066,210 was used. The remaining \$226,023 of this funding was not needed and was returned to the reserves for future use.

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 \$2,600,000 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.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2021 was \$6,725,686. This amount equals 4.00% of the 2021-2022 budget, which is the 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 \$9,160,805 in excess of depreciation expense of \$3,680,116 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:

	2021	2020	Increase (Decrease)
Land	\$ 1,864,870	\$ 1,864,870	\$ -
Construction in progress	14,252,992	43,430,451	(29,177,459)
Buildings	83,227,182	48,067,387	35,159,795
Improvements Other Than Buildings	2,193,439	2,371,662	(178,223)
Equipment	4,135,253	4,458,677	(323,424)
Capital assets, net	<u>\$ 105,673,736</u>	<u>\$ 100,193,047</u>	<u>\$ 5,480,689</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The District is continuing to make significant capital expenditures resulting from a December 2014 voter-approved \$49,816,257 bond authorization for capital improvements to District facilities. As of June 30, 2021, the District has obtained permanent financing totaling \$45,640,000, including \$700,000 from the general fund in the 2018-2019 fiscal year, and expended \$45,564,674 or approximately 91.47% of the authorization. Construction is near completion.

B. Debt Administration

At June 30, 2021, the District had total bonds payable of \$42,880,000. The bonds were issued for school building improvements and the refunding of bonds originally issued for school building improvements. The net increase in bonds payable results from the issuance of bonds in the amount of \$4,500,000 and \$75,009 of premium received, in excess of bond payments of \$3,815,000. A summary of the outstanding debt at June 30, 2021 and 2020 is as follows:

	Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Bonds Payable					
	2009	2.25-3.75%	\$ 225,000	\$ 300,000	\$ (75,000)
	2009	2.00-5.00%		1,250,000	(1,250,000)
	2011	2.00-4.00%	1,090,000	1,605,000	(515,000)
	2018	3.00-3.50%	37,065,000	39,040,000	(1,975,000)
	2021	1.00-2.00%	4,500,000		4,500,000
			<u>\$ 42,880,000</u>	<u>\$ 42,195,000</u>	<u>\$ 685,000</u>

The District's latest underlying, long-term credit rating from Standard & Poors, Inc. is AAA. The District's outstanding serial bonds at June 30, 2021 are approximately 5.21% of the District's debt limit.

On June 24, 2021, the District issued \$4,500,000 of additional serial bonds. The bonds were issued to redeem the \$6,000,000 outstanding bond anticipation notes (with \$1,500,000 of unused BAN proceeds) and provide permanent financing for school building improvements. The bonds will mature in June 2036.

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 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 payable	\$ 8,266,050	\$ 8,436,620	\$ (170,570)
Net pension liabilities - proportionate share	10,676,188	11,588,224	(912,036)
Total OPEB liability	<u>168,693,974</u>	<u>161,187,523</u>	<u>7,506,451</u>
	<u>\$ 187,636,212</u>	<u>\$ 181,212,367</u>	<u>\$ 6,423,845</u>

PLAINVIEW-OLD BETHPAGE CENTRAL 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 \$168,142,155. This is an increase of \$3,893,557, or 2.37%, over the previous year's budget. The increase is principally in the instructional program (\$1,941,356) area of the budget.

The District budgeted revenues other than property taxes and STAR at a \$2,497,405 increase over the prior year's estimate, which is principally due to estimated increases in state aid revenues and a portion of the proceeds from the sale of the Fern Place building. The assigned, appropriated fund balance applied to the budget in the amount of \$2,600,000 is a decrease of \$2,061,236 from the previous year. Additionally, the District has elected to appropriate \$3,547,923 from the restricted reserves towards the next year's budget, which is an increase of \$255,690 from the previous year. A property tax increase of \$3,201,698 (2.49%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

The property tax cap, 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 2.00% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2021-2022 is 2.53%. The District's 2021-2022 property tax increase of 2.49% was below the tax cap and did not require an override vote.

D. Federal Grant Funding

The District was awarded funding under the CARES Act through the ESSER and the Governor's GEER in the amount of \$115,110 in 2020-2021. The District applied for additional funding in the amount of \$4,064,184 through the ESSER 2 program and \$685,533 through the GEER 2 program, allocated under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District received the grant award notifications for ESSER 2 and GEER 2 in August 2021 and September 2021, respectively. In addition, the District applied for and is awaiting approval for \$768,848 in grant funds through the American Rescue Plan (ARP) Act.

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:

Mr. Richard Cunningham
Assistant Superintendent for Business
Plainview-Old Bethpage Central School District
106 Washington Avenue
Plainview, New York 11803

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 21,635,661
Restricted	38,861,915
Receivables	
Accounts receivable	165,149
Taxes receivable	2,407,268
Due from state and federal	3,479,362
Due from other governments	1,343,592
Inventory	5,032
Capital assets:	
Not being depreciated	16,117,862
Being depreciated, net of accumulated depreciation	89,555,874
Total Assets	<u>173,571,715</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	47,785,413
Other postemployment benefits	<u>20,113,687</u>
Total Deferred Outflows of Resources	<u>67,899,100</u>

LIABILITIES

Payables	
Accounts payable	3,529,423
Accrued liabilities	1,173,077
Due to other governments	3,331,355
Due to teachers' retirement system	7,276,911
Due to employees' retirement system	760,802
Compensated absences	902,010
Other liabilities	794,372
Unearned credits	
Collections in advance	162,196
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	2,924,349
Compensated absences payable	363,192
Due and payable after one year	
Bonds payable, net	40,030,660
Compensated absences payable	7,902,858
Net pension liabilities - proportionate share	10,676,188
Total other postemployment benefits liability	<u>168,693,974</u>
Total Liabilities	<u>248,521,367</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	18,509,356
Other postemployment benefits	<u>6,212,326</u>
Total Deferred Inflows of Resources	<u>24,721,682</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>62,869,062</u>
Restricted:	
Unemployment insurance	644,044
Retirement contribution	
Teachers' retirement system	3,867,690
Employees' retirement system	7,055,571
Employee benefit accrued liability	6,258,523
Capital	15,324,842
Repairs	773,190
Debt	537,135
Scholarships	215,815
	<u>34,676,810</u>
Unrestricted (deficit)	<u>(129,318,106)</u>
Total Net Position (Deficit)	<u>\$ (31,772,234)</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
	Expenses	Charges for	Grants and	Grants	Changes in
		Services	Contributions		Net Position
FUNCTIONS/PROGRAMS					
General support	\$ 20,866,268	\$	\$	\$	\$ (20,866,268)
Instruction	143,054,108	942,194	2,285,934	179,376	(139,646,604)
Pupil transportation	7,789,420				(7,789,420)
Community services	64,172				(64,172)
Debt service - interest	1,368,298				(1,368,298)
Food service program	1,266,006	27,594	1,186,570		(51,842)
Total Functions and Programs	<u>\$ 174,408,272</u>	<u>\$ 969,788</u>	<u>\$ 3,472,504</u>	<u>\$ 179,376</u>	<u>(169,786,604)</u>
GENERAL REVENUES					
Real property taxes					119,793,279
Other tax items					13,420,807
Use of money and property					1,223,364
Sale of property and compensation for loss					8,825
Miscellaneous					475,930
State sources					19,924,489
Medicaid reimbursement					<u>74,230</u>
Total General Revenues					<u>154,920,924</u>
Change in Net Position (Deficit)					(14,865,680)
Total Net Position (Deficit) - Beginning of Year, as Restated					<u>(16,906,554)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (31,772,234)</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

	General	Special Aid	Special Revenue Child Care	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
ASSETS									
Cash and cash equivalents									
Unrestricted	\$ 20,923,488	\$ 31,936	\$ 10,005	\$ 337,477	\$	\$	\$ 332,755	\$	\$ 21,635,661
Restricted	20,843,389				462,126	17,340,146		216,254	38,861,915
Receivables									
Accounts receivable	164,426		723						165,149
Taxes receivable	2,407,268								2,407,268
Due from other funds	1,568,448			18	75,009	1,000,000	292	11	2,643,778
Due from state and federal	924,735	1,385,887		382,816		785,924			3,479,362
Due from other governments	1,282,714					60,878			1,343,592
Inventory				5,032					5,032
Total Assets	<u>\$ 48,114,468</u>	<u>\$ 1,417,823</u>	<u>\$ 10,728</u>	<u>\$ 725,343</u>	<u>\$ 537,135</u>	<u>\$ 19,186,948</u>	<u>\$ 333,047</u>	<u>\$ 216,265</u>	<u>\$ 70,541,757</u>
LIABILITIES									
Payables									
Accounts payable	\$ 2,541,005	\$ 102,264	\$ 4	\$ 128,433	\$	\$ 757,717	\$	\$	\$ 3,529,423
Accrued liabilities	845,242	1,798	25,798						872,838
Due to other funds	1,000,321	1,280,797	269,651	18,000		75,009			2,643,778
Due to other governments	3,330,680			675					3,331,355
Due to teachers' retirement system	7,276,911								7,276,911
Due to employees' retirement system	760,802								760,802
Compensated absences	902,010								902,010
Other liabilities	793,922							450	794,372
Unearned credits									
Collections in advance		32,964	8,334	120,898					162,196
Total Liabilities	<u>17,450,893</u>	<u>1,417,823</u>	<u>303,787</u>	<u>268,006</u>	<u>-</u>	<u>832,726</u>	<u>-</u>	<u>450</u>	<u>20,273,685</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	<u>75,957</u>					<u>846,802</u>			<u>922,759</u>
FUND BALANCES (DEFICIT)									
Nonspendable: Inventory				5,032					5,032
Restricted:									
Unemployment insurance	644,044								644,044
Retirement contribution									
Teachers' retirement system	3,867,690								3,867,690
Employees' retirement system	7,055,571								7,055,571
Employee benefit accrued liability	6,258,523								6,258,523
Capital	2,253,026					13,071,816			15,324,842
Repairs	773,190								773,190
Debt					537,135				537,135
Scholarships								215,815	215,815
Unspent bond proceeds						75,326			75,326
Assigned:									
Appropriated fund balance	2,600,000								2,600,000
Unappropriated fund balance	409,888			452,305		4,360,278	333,047		5,555,518
Unassigned: Fund balance (deficit)	<u>6,725,686</u>		<u>(293,059)</u>						<u>6,432,627</u>
Total Fund Balances	<u>30,587,618</u>	<u>-</u>	<u>(293,059)</u>	<u>457,337</u>	<u>537,135</u>	<u>17,507,420</u>	<u>333,047</u>	<u>215,815</u>	<u>49,345,313</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,114,468</u>	<u>\$ 1,417,823</u>	<u>\$ 10,728</u>	<u>\$ 725,343</u>	<u>\$ 537,135</u>	<u>\$ 19,186,948</u>	<u>\$ 333,047</u>	<u>\$ 216,265</u>	<u>\$ 70,541,757</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total Governmental Fund Balances (Deficit) \$ 49,345,313

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

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

Original cost of capital assets	\$ 175,724,204	
Less: Accumulated depreciation	<u>(70,050,468)</u>	
		105,673,736

Proportionate share of long-term liabilities, 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 funds.

Deferred outflows of resources	47,785,413	
Net pension liability - teachers' retirement system	(10,631,889)	
Net pension liability - employees' retirement system	(44,299)	
Deferred inflows of resources	<u>(18,509,356)</u>	
		18,599,869

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

Deferred outflows of resources	20,113,687	
Total other postemployment benefits liability	(168,693,974)	
Deferred inflows of resources	<u>(6,212,326)</u>	
		(154,792,613)

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.

922,759

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	(300,239)	
Bonds payable	(42,955,009)	
Compensated absences payable	<u>(8,266,050)</u>	
		(51,521,298)

Total Net Position (Deficit)		<u><u>\$ (31,772,234)</u></u>
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PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	General	Special Aid	Special Revenue Child Care	School Food Service	Debt Service	Capital Projects	Extracurricular Activities	Scholarships	Total Governmental Funds
REVENUES									
Real property taxes	\$ 119,793,279	\$	\$	\$	\$	\$	\$	\$	\$ 119,793,279
Other tax items	13,420,807								13,420,807
Charges for services	187,222		486,063						673,285
Use of money and property	1,379,033		206	915			3	415	1,380,572
Sale of property and compensation for loss	8,825								8,825
Miscellaneous	476,407	89,971					268,906	13,519	848,803
Interfund revenue	1,767								1,767
State sources	20,281,811	508,593		24,315					20,814,719
Medicaid reimbursement	74,230								74,230
Federal sources	115,110	1,558,326		1,162,255					2,835,691
Sales				27,594					27,594
Total Revenues	155,738,491	2,156,890	486,269	1,215,079	-	-	268,909	13,934	159,879,572
EXPENDITURES									
General support	16,614,708	1,767							16,616,475
Instruction	91,264,457	2,278,267	833,192				273,399	27,969	94,677,284
Pupil transportation	7,253,322	45,600							7,298,922
Community service	47,588								47,588
Employee benefits	34,959,640								34,959,640
Debt service									
Principal					3,815,000				3,815,000
Interest	120,000				1,267,616				1,387,616
Food service program				1,264,521					1,264,521
Capital outlay						8,602,689			8,602,689
Total Expenditures	150,259,715	2,325,634	833,192	1,264,521	5,082,616	8,602,689	273,399	27,969	168,669,735
Excess (Deficiency) of Revenues Over Expenditures	5,478,776	(168,744)	(346,923)	(49,442)	(5,082,616)	(8,602,689)	(4,490)	(14,035)	(8,790,163)
OTHER FINANCING SOURCES AND (USES)									
Proceeds of obligations						4,500,000			4,500,000
Premium on obligation					75,009				75,009
Operating transfers in		168,744			5,082,616	1,000,000			6,251,360
Operating transfers (out)	(6,251,360)								(6,251,360)
Total Other Financing Sources and (Uses)	(6,251,360)	168,744	-	-	5,157,625	5,500,000	-	-	4,575,009
Net Change in Fund Balances	(772,584)	-	(346,923)	(49,442)	75,009	(3,102,689)	(4,490)	(14,035)	(4,215,154)
Fund Balances (Deficit) - Beginning of Year, as Restated	31,360,202		53,864	506,779	462,126	20,610,109	337,537	229,850	53,560,467
End of Year	\$ 30,587,618	\$ -	\$ (293,059)	\$ 457,337	\$ 537,135	\$ 17,507,420	\$ 333,047	\$ 215,815	\$ 49,345,313

PLAINVIEW-OLD BETHPAGE CENTRAL 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 \$ (4,215,154)

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

Long-Term Revenue and Expense Differences

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. \$ (335,213)

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	170,570	
		(164,643)

Capital Related Differences

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

Capital outlays and other additions	9,160,805	
Depreciation expense	(3,680,116)	
		5,480,689

Long-Term Debt Transactions Differences

Proceeds and premium from the issuance of bonds are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. (4,575,009)

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

Repayment of bond principal	3,815,000	
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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.

	19,318	
		(740,691)

Pension and Other Postemployment Benefits Differences

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

Teachers' retirement system	(7,872,458)	
Employees' retirement system	882,907	
Other postemployment benefits	(8,236,330)	
		(15,225,881)

Change in Net Position (Deficit) of Governmental Activities		\$ (14,865,680)
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PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2021

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

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2021

	<u>Custodial</u>
ADDITIONS	
Real property taxes collections for the Library	\$ 6,935,840
DEDUCTIONS	
Payments of real property taxes to the Library	<u>6,935,840</u>
Change in Net Position	-
Net Position - Beginning of Year	<u> </u>
Net Position - End of Year	<u><u>\$ -</u></u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plainview-Old Bethpage Central 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.

PLAINVIEW-OLD BETHPAGE CENTRAL 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.

Special Revenue Child Care Fund - is used to account for the activities of the child care program.

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

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

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

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

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 cash equivalents 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, compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

E. Real Property Taxes

Calendar

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enforcement

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

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 2015-2016 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 2.00% 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 \$3,119,104 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

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and cash equivalent 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 item 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 inventorable 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.

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 & building improvements	\$ 10,000	20-50 years
Land improvements	10,000	20 years
Furniture, equipment & vehicles	1,000	5-20 years
Technology equipment	250	2-5 years

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

N. Coronavirus Aid, Relief and Economic Security Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits the District to delay paying the employer portion of the social security payroll taxes on wages paid. The deferral applies to deposits and payments of the employer's share of Social Security tax that would otherwise be required to be made during the period beginning on March 27, 2020 and ending December 31, 2020. Deferred employer social security tax payable, which is included in due to other governments in the general fund at June 30, 2021 totaled \$3,330,680.

O. 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 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. The second item is 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.

P. Short-Term Debt

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

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

Q. 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.

R. 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination or death.

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

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

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

S. 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.

T. 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 and amounts due from other entities for rent. In subsequent 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

U. 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 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:

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 2.00% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10.00% 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. These reserves are accounted for in the general fund and capital projects fund.

Repair Reserve

Repair 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted – Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects 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 the 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.

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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

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 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.

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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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 appropriation occurred during the year:

Federal CARES Act	<u>\$ 115,110</u>
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Budgets are adopted annually on a basis consistent with GAAP.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Special Revenue Child Care Deficit

With the full reopening of schools and increased childcare rates, the District anticipates generating higher revenues in the 2021-2022 school year that would eliminate the deficit.

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.

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.

7. PARTICIPATION IN BOCES

During the fiscal year ended June 30, 2021, the District was billed \$7,410,501 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,367,692. 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.

PLAINVIEW-OLD BETHPAGE CENTRAL 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 - general aid	\$ 204,781
New York State - building aid	55,632
New York State - excess cost aid	572,233
Federal - CARES Act: GEER	13,346
Federal - CARES Act: ESSER	78,743
	<u>924,735</u>
Special Aid Fund	
Federal and state grants	1,385,887
School Food Service Fund	
Federal and state food service program reimbursements	382,816
Capital Projects Fund	
Smart Schools Bond Act	<u>785,924</u>
	<u>\$ 3,479,362</u>

District management expects these amounts to be fully collectible.

9. DUE FROM OTHER GOVERNMENTS

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

General Fund	
Other districts - tuition and health services	\$ 158,482
BOCES aid	1,124,232
	<u>1,282,714</u>
Capital Projects Fund	
Nassau County - HVAC	<u>60,878</u>
	<u>\$ 1,343,592</u>

District management expects these amounts to be fully collectible.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 1,568,448	\$ 1,000,321	\$	\$ 6,251,360
Special Aid Fund		1,280,797	168,744	
Child Care Fund		269,651		
School Food Service Fund	18	18,000		
Debt Service Fund	75,009		5,082,616	
Capital Projects Fund	1,000,000	75,009	1,000,000	
Extraclassroom Activities Fund	292			
Scholarships Fund	11			
	<u>\$ 2,643,778</u>	<u>\$ 2,643,778</u>	<u>\$ 6,251,360</u>	<u>\$ 6,251,360</u>

The District typically transfers from the general fund to the special aid fund, debt service fund and capital projects fund in accordance with the voter 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. The transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness. The transfer to the capital projects fund was to provide funding for various capital projects. Interfund balances are expected to be repaid within one year.

11. CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,864,870	\$	\$	\$ 1,864,870
Construction in progress	43,430,451	8,602,691	(37,780,150)	14,252,992
Total capital assets not being depreciated	<u>45,295,321</u>	<u>8,602,691</u>	<u>(37,780,150)</u>	<u>16,117,862</u>
Capital assets being depreciated				
Buildings	107,430,389	37,604,081		145,034,470
Improvements other than buildings	4,681,674			4,681,674
Equipment	9,156,015	734,183		9,890,198
Total capital assets being depreciated	<u>121,268,078</u>	<u>38,338,264</u>	<u>-</u>	<u>159,606,342</u>
Less accumulated depreciation for:				
Buildings	59,363,002	2,444,286		61,807,288
Improvements other than buildings	2,310,012	178,223		2,488,235
Equipment	4,697,338	1,057,607		5,754,945
Total accumulated depreciation	<u>66,370,352</u>	<u>3,680,116</u>	<u>-</u>	<u>70,050,468</u>
Total capital assets, being depreciated, net	<u>54,897,726</u>	<u>34,658,148</u>	<u>-</u>	<u>89,555,874</u>
Capital assets, net	<u>\$100,193,047</u>	<u>\$ 43,260,839</u>	<u>\$ (37,780,150)</u>	<u>\$ 105,673,736</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Depreciation expense was charged to governmental functions as follows:

General support	\$ 77,317
Instruction	3,544,686
Pupil transportation	56,628
Food service	<u>1,485</u>
Total depreciation expense	<u><u>\$ 3,680,116</u></u>

12. 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	6/25/2021	2.00%	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ (6,000,000)</u>	<u>\$ -</u>

The BAN was issued to provide short-term cash flow for the District's capital projects. The District used the proceeds from the \$4,500,000 serial bonds issued on June 24, 2021, and \$1,500,000 of unspent BAN proceeds to repay the BAN upon maturity.

Interest on short-term debt for the year was \$120,000.

13. 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
<u>Long-term debt:</u>					
Bonds payable	\$ 42,195,000	\$ 4,500,000	\$ (3,815,000)	\$ 42,880,000	\$ 2,915,000
Add: Premium on bond	-	75,009		75,009	9,349
	<u>42,195,000</u>	<u>4,575,009</u>	<u>(3,815,000)</u>	<u>42,955,009</u>	<u>2,924,349</u>
<u>Other long-term liabilities:</u>					
Compensated absences	<u>8,436,620</u>		<u>(170,570)</u>	<u>8,266,050</u>	<u>363,192</u>
	<u><u>\$ 50,631,620</u></u>	<u><u>\$ 4,575,009</u></u>	<u><u>\$ (3,985,570)</u></u>	<u><u>\$ 51,221,059</u></u>	<u><u>\$ 3,287,541</u></u>

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Construction serial bond	7/15/2009	7/15/2023	2.25-3.75%	\$ 225,000
2011 refunding serial bond	11/29/2011	11/1/2022	2.00-4.00%	1,090,000
Construction serial bond	9/20/2018	10/1/2035	3.00-3.50%	37,065,000
Public improvement serial bond	6/24/2021	6/15/2036	1.00-2.00%	4,500,000
				<u>\$ 42,880,000</u>

On June 24, 2021, the District issued \$4,500,000 of serial bonds as part of the \$49,816,257 bond proposition authorized by the District's voters on December 9, 2014. Proceeds from the bond issue were used towards redeeming the outstanding BAN payable, providing permanent financing for the reconstruction projects.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,915,000	\$ 1,218,988	\$ 4,133,988
2023	3,000,000	1,135,716	4,135,716
2024	2,640,000	1,057,475	3,697,475
2025	2,675,000	982,969	3,657,969
2026	2,700,000	907,844	3,607,844
2027-2031	14,100,000	3,373,094	17,473,094
2032-2036	14,850,000	1,213,422	16,063,422
Total	<u>\$ 42,880,000</u>	<u>\$ 9,889,508</u>	<u>\$ 52,769,508</u>

C. Bond Premium

The District received \$75,009 of bond premium from the issuance of the June 24, 2021 bonds. The premium will be amortized as a reduction of bond interest expense over the life of the bonds in the district-wide financial statements as follows:

Year Ending June 30,	Amortization of Premium
2022	\$ 9,349
2023	8,760
2024	8,171
2025	7,581
2026	6,992
2027-2031	25,450
2032-2036	8,706
Total	<u>\$ 75,009</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Interest Expense

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

Interest paid	\$ 1,267,616
Less interest accrued in the prior year	(319,557)
Plus interest accrued in the current year	<u>300,239</u>
 Total interest expense on long-term debt	 <u><u>\$ 1,248,298</u></u>

E. Unissued Debt

On December 9, 2014, the voters approved a bond issue not to exceed \$49,816,257 for District-wide infrastructure upgrades and reconstruction projects. As of June 30, 2021, the District has issued a total of \$44,940,000 in serial bonds. The District also provided \$700,000 of funding during the 2018-2019 fiscal year when it partially redeemed the outstanding bond anticipation notes at the time with general fund appropriations. Total permanent financing obtained to date is \$45,640,000; the balance of authorized but unissued debt was \$4,176,257 as of June 30, 2021. Work is near completion and expenditures are recorded in the capital projects fund.

14. 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.

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

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php 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 share of the required contributions, based on covered payroll for the District's year ended June 30, 2021 was \$6,639,421 for TRS at the contribution rate of 9.53% and \$2,383,651 for ERS at an average contribution rate of 13.34%.

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

	TRS	ERS
	June 30, 2020	March 31, 2021
Measurement date		
District's proportionate share of the net pension asset/(liability)	\$ (10,631,889)	\$ (44,299)
District's portion of the Plan's total net pension asset/(liability)	0.384757%	0.0444890%
Change in proportion since the prior measurement date	(0.003007)	(0.0028722)

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$14,515,207 for TRS and \$1,500,747 for ERS. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 9,315,662	\$ 541,017	\$ 544,864	\$
Changes of assumptions	13,446,865	8,145,245	4,793,105	153,622
Net difference between projected and actual earnings on pension plan investments	6,943,556			12,725,419
Changes in proportion and differences between the District's contributions and proportionate share of contributions	844,876	1,147,969	145,100	147,246
District contributions subsequent to the measurement date	6,639,421	760,802		
Total	<u>\$ 37,190,380</u>	<u>\$ 10,595,033</u>	<u>\$ 5,483,069</u>	<u>\$ 13,026,287</u>

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 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	\$ 4,342,648	\$ (366,148)
2023	8,561,645	(260)
2024	7,014,166	(495,549)
2025	4,396,217	(2,330,099)
2026	232,452	
Thereafter	520,762	
	<u>\$ 25,067,890</u>	<u>\$ (3,192,056)</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 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 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.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	TRS		ERS	
	Target Allocation	Long-term Expected 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:

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease	Current Assumption	1% Increase
TRS	6.10 %	7.10 %	8.10 %
District's proportionate share of the net pension asset (liability)	<u>\$ (67,157,980)</u>	<u>\$ (10,631,889)</u>	<u>\$ 36,807,826</u>

	1% Decrease	Current Assumption	1% Increase
ERS	4.90 %	5.90 %	6.90 %
District's proportionate share of the net pension asset (liability)	<u>\$ (12,295,819)</u>	<u>\$ (44,299)</u>	<u>\$ 11,254,469</u>

Pension Plan Fiduciary Net Position

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

	TRS	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	<u>120,479,505</u>	<u>220,580,583</u>
Employers' net pension liability	<u>\$ (2,763,271)</u>	<u>\$ (99,574)</u>
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 \$6,639,421 of employer contributions and \$637,561 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 \$760,802 of employer contributions. Employee contributions are remitted monthly.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absences payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021, totaled \$871,710 and \$4,632,319, 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 \$608,952.

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

Inactive employees and spouses or beneficiaries currently receiving benefit payments	649
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>750</u>
	<u><u>1,399</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$168,693,974 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs – The total OPEB liability, 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:

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.60%	
Salary increases	2.60%	average, including inflation
Discount rate	2.16%	
Healthcare cost trend rates	6.60%	for 2019, decreasing to an ultimate rate of 4.1% over 56 years
Retirees' share of benefit-related costs	50 - 100%	of projected health insurance premiums for retirees and surviving spouses

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

Mortality rates were based on RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with Scale MP-Ultimate. In the prior valuation, mortality rates were based on RP-2014 to 2006 total dataset mortality table projected to the valuation date with Scale MP-2017.

The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 161,187,523</u>
Changes for the year	
Service cost	6,557,683
Interest	3,662,412
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,358,987
Benefit payments	<u>(4,072,631)</u>
	<u>7,506,451</u>
Balance at June 30, 2021	<u><u>\$ 168,693,974</u></u>

Changes 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:

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease	Discount Rate	1% Increase
OPEB	1.16%	2.16%	3.16%
Total OPEB liability	<u>\$(199,465,704)</u>	<u>\$(168,693,974)</u>	<u>\$(144,219,055)</u>

Sensitivity of the Total OPEB Liability 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 to 3.10%) or 1 percentage point higher (7.60 to 5.10%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	5.60%	6.60%	7.60%
OPEB	decreasing to 3.10%	decreasing to 4.10%	decreasing to 5.10%
Total OPEB liability	<u>\$(145,380,977)</u>	<u>\$(168,693,974)</u>	<u>\$(199,564,207)</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$12,308,961. 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	\$ 1,874,590	\$ 397,149
Changes of assumptions or other inputs	<u>18,239,097</u>	<u>5,815,177</u>
Total	<u>\$ 20,113,687</u>	<u>\$ 6,212,326</u>

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

Year Ending June 30,	Amount
2022	\$ 2,088,866
2023	2,088,866
2024	2,088,866
2025	2,929,788
2026	3,852,178
Thereafter	<u>852,797</u>
	<u>\$ 13,901,361</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

17. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources at June 30, 2021, consists of amounts due from New York State for supplemental prior years aid payments which are unavailable because the District does not expect New York State would pay these amounts soon. Total deferred inflows in the general fund at June 30, 2021 is \$75,957.

Also included in the governmental fund financial statements as deferred inflows of resources at June 30, 2021, is the amounts due from New York State for improvements to educational technology and infrastructure to improve learning and opportunities for students throughout the state (Smart Schools Bond Act), and capital grants receivable from the Dormitory Authority of the State of New York (DASNY) and Nassau County. These grants are payable to the District when the capital projects are completed and claims for reimbursements are submitted and approved by the responsible agencies. Unavailable revenues recorded in the capital projects fund at June 30, 2021, total \$846,802.

18. 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. 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 entity risk pool created under Article 5 of the Workers' Compensation Law to administer claims, finance liability and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event that the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. As of June 30, 2021, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was \$16,806,143 at a 2.00% discount rate. The Workers' Compensation Plan has assets of \$23,399,025 to pay these liabilities.

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

19. 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:

Unemployment Insurance	\$ 200,000
Retirement Contributions - ERS	2,665,664
Employee Benefit Accrued Liability	<u>682,259</u>
	<u><u>\$ 3,547,923</u></u>

20. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$2,600,000 has been appropriated to reduce taxes for the year ending June 30, 2022.

21. RESTRICTED FOR CAPITAL RESERVE

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

	Capital Reserve				
	2010	2014	2015	2017	
Date Created	May 2010	May 2014	May 2015	May 2017	
Number of Years to Fund	7	7	7	7	
Maximum Funding	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 25,000,000</u>	
					<u>Total</u>
General Fund					
Funding Provided Since Inception	\$ 4,806,812	\$ 5,000,000	\$ 5,000,000	\$ 17,354,516	\$ 32,161,328
Interest Earnings Since Inception	189,653		12,556	92,989	295,198
Use of Reserve Since Inception	<u>(4,803,500)</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(15,400,000)</u>	<u>(30,203,500)</u>
Total General Fund	<u>192,965</u>	<u>-</u>	<u>12,556</u>	<u>2,047,505</u>	<u>2,253,026</u>
Capital Projects Fund					
Funding Provided Since Inception	4,803,500	5,000,000	5,000,000	15,400,000	30,203,500
Use of Reserve Since Inception	<u>(4,772,006)</u>	<u>(4,732,094)</u>	<u>(2,819,594)</u>	<u>(4,807,990)</u>	<u>(17,131,684)</u>
Total Capital Projects Fund	<u>31,494</u>	<u>267,906</u>	<u>2,180,406</u>	<u>10,592,010</u>	<u>13,071,816</u>
Balance as of June 30, 2021	<u>\$ 224,459</u>	<u>\$ 267,906</u>	<u>\$ 2,192,962</u>	<u>\$ 12,639,515</u>	<u>\$ 15,324,842</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

22. 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 \$567,387 in fund balance of the governmental funds, as well as the Statement of Net Position. The District's fund balance and net position have been restated as follows:

	General Fund	Extraclassroom Activity Fund	Scholarship Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Reported	\$ 31,360,202	\$	\$	\$ (17,473,941)
<i>Assets</i>				
Cash and cash equivalents	796,075	337,245	230,300	1,363,620
Due from other funds		292		292
	<u>796,075</u>	<u>337,537</u>	<u>230,300</u>	<u>1,363,912</u>
<i>Liabilities</i>				
Other liabilities	<u>796,075</u>		450	<u>796,525</u>
<i>Fund Balance/Net Position</i>				
Restricted			229,850	229,850
Assigned, unappropriated		337,537		
Unrestricted				<u>337,537</u>
	<u>-</u>	<u>337,537</u>	<u>229,850</u>	<u>567,387</u>
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Restated	<u>\$ 31,360,202</u>	<u>\$ 337,537</u>	<u>\$ 229,850</u>	<u>\$ (16,906,554)</u>

23. TAX ABATEMENTS

The County of Nassau Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 922, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the County. The District's property tax revenue was reduced by \$1,915,785 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$1,652,447 for these properties during the fiscal year.

The District also received PILOT from the County related to the Long Island Power Authority. These PILOT are not considered tax abatements as the purpose of this agreement was not for economic development or to provide benefits to the citizenry.

24. 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:

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted and Assigned Fund Balance	
Capital Projects Fund	
Capital projects	<u>\$ 2,905,171</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General support	298,173
Instruction	<u>111,715</u>
	<u>409,888</u>
	<u>\$ 3,315,059</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; some of these lawsuits are being handled by the District's insurance carrier. It is not possible to estimate the outcome of those lawsuits at this time.

25. SUBSEQUENT EVENTS

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

A. Sale of Building

On August 12, 2019, the Board of Education authorized the District's legal counsel to draft a contract to sell the Fern Place School Building to the Association for Children with Down Syndrome, Inc. at a sale price of \$3,150,000. The sale includes the school building and parking lot, but not the adjacent field or parcel of land utilized by the District's Pasadena Elementary School. The sale was finalized and closed on July 30, 2021.

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

The District received awards of CRRSA funding of \$4,064,184 through the Elementary and Secondary School Emergency Relief Program (ESSER 2) in August 2021, and \$685,533 through the Governor's Emergency Education Relief Program (GEER 2) in September 2021. The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as expended.

SUPPLEMENTARY INFORMATION

PLAINVIEW-OLD BETHPAGE CENTRAL 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	\$ 128,371,510	\$ 119,722,255	\$ 119,793,279	\$ 71,024
Other tax items	3,885,781	12,535,036	13,420,807	885,771
Charges for services	433,281	433,281	187,222	(246,059)
Use of money and property	1,564,269	1,564,269	1,379,033	(185,236)
Sale of property and compensation for loss			8,825	8,825
Miscellaneous	675,000	675,000	476,407	(198,593)
Interfund revenues	5,000	5,000	1,767	(3,233)
Total Local Sources	134,934,841	134,934,841	135,267,340	332,499
State Sources	21,140,288	21,140,288	20,281,811	(858,477)
Medicaid Reimbursement	20,000	20,000	74,230	54,230
Federal Sources		115,110	115,110	-
Total Revenues	156,095,129	156,210,239	155,738,491	(471,748)
OTHER FINANCING SOURCES				
Operating Transfers In	200,000	200,000		(200,000)
Total Revenues and Other Sources	156,295,129	156,410,239	155,738,491	\$ (671,748)
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	4,661,236	4,661,236		
Prior Year's Encumbrances	1,045,176	1,045,176		
Appropriated Reserves	3,292,233	3,292,233		
Total Appropriated Fund Balance	8,998,645	8,998,645		
Total Revenues, Other Sources and Appropriated Fund Balance	\$ 165,293,774	\$ 165,408,884		

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.

PLAINVIEW-OLD BETHPAGE CENTRAL 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	\$ 199,002	\$ 208,553	\$ 172,093	\$	\$ 36,460
Central administration	416,789	448,499	441,347		7,152
Finance	1,565,195	1,645,079	1,525,312	40,982	78,785
Staff	1,189,249	1,299,541	1,217,716	10,310	71,515
Central services	12,534,666	12,887,151	11,723,013	246,881	917,257
Special items	1,502,668	1,549,320	1,535,227		14,093
Total General Support	17,407,569	18,038,143	16,614,708	298,173	1,125,262
Instruction					
Administration & improvement	7,444,083	7,308,531	6,858,679	232	449,620
Teaching - regular school	53,209,684	53,423,561	51,408,660	26,084	1,988,817
Programs for students with disabilities	18,036,660	18,632,836	17,879,629	81,516	671,691
Occupational education	265,615	265,615	180,798		84,817
Teaching - special schools	662,328	663,511	250,559		412,952
Instructional media	4,921,516	5,208,373	4,749,123	2,319	456,931
Pupil services	10,220,470	11,052,551	9,937,009	1,564	1,113,978
Total Instruction	94,760,356	96,554,978	91,264,457	111,715	5,178,806
Pupil Transportation	8,956,411	8,529,798	7,253,322		1,276,476
Community Services	243,397	219,752	47,588		172,164
Employee Benefits	37,385,425	35,525,597	34,959,640		565,957
Debt Service: Interest	190,000	190,000	120,000		70,000
Total Expenditures	158,943,158	159,058,268	150,259,715	409,888	8,388,665
OTHER FINANCING USES					
Operating Transfers Out	6,350,616	6,350,616	6,251,360		99,256
Total Expenditures and Other Uses	\$ 165,293,774	\$ 165,408,884	156,511,075	\$ 409,888	\$ 8,487,921
Net Change in Fund Balance			(772,584)		
Fund Balance - Beginning of Year			31,360,202		
Fund Balance - End of Year			\$ 30,587,618		

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.

PLAINVIEW-OLD BETHPAGE CENTRAL 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)	0.384757%	0.387764%	0.388946%	0.399735%	0.395048%	0.399656%	0.405289%
District's proportionate share of the net pension asset/(liability)	\$ (10,631,889)	\$ 10,074,142	\$ 7,033,163	\$ 3,038,379	\$ (4,231,126)	\$ 41,511,558	\$ 45,146,638
District's covered payroll	\$ 65,305,531	\$ 64,724,161	\$ 63,345,833	\$ 63,344,753	\$ 61,950,567	\$ 59,863,060	\$ 59,867,458
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	(16.28)%	15.56 %	11.10 %	4.80 %	(6.83)%	69.34 %	75.41 %
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 rate	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	0.0444890%	0.0473612%	0.0461802%	0.0488033%	0.0465303%	0.0467420%	0.0488840%
District's proportionate share of the net pension liability	\$ (44,299)	\$ (11,588,224)	\$ (3,272,009)	\$ (1,575,100)	\$ (4,372,093)	\$ (7,502,270)	\$ (1,651,410)
District's covered payroll	\$ 18,147,685	\$ 16,578,677	\$ 15,816,720	\$ 15,997,030	\$ 15,995,564	\$ 14,763,453	\$ 14,249,916
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.24 %	69.90 %	20.69 %	9.85 %	27.33 %	50.82 %	11.59 %
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 rate	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.

PLAINVIEW-OLD BETHPAGE CENTRAL 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	\$ 6,639,421	\$ 5,786,070	\$ 6,873,706	\$ 6,199,856	\$ 7,424,005	\$ 8,083,275	\$ 10,523,926	\$ 9,728,462	\$ 7,306,396	\$ 6,673,752
Contributions in relation to the contractually required contribution	6,639,421	5,786,070	6,873,706	6,199,856	7,424,005	8,083,275	10,523,926	9,728,462	7,306,396	6,673,752
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 69,668,640	\$ 65,305,531	\$ 64,724,161	\$ 63,345,833	\$ 63,344,753	\$ 61,950,567	\$ 59,863,060	\$ 59,867,458	\$ 61,709,426	\$ 60,069,775
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	\$ 2,383,651	\$ 2,272,080	\$ 2,350,265	\$ 2,405,572	\$ 2,278,687	\$ 2,260,773	\$ 2,813,347	\$ 2,689,056	\$ 3,160,703	\$ 2,010,452
Contributions in relation to the contractually required contribution	2,383,651	2,272,080	2,350,265	2,405,572	2,278,687	2,260,773	2,813,347	2,689,056	3,160,703	2,010,452
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,871,374	\$ 16,784,771	\$ 16,204,443	\$ 16,684,844	\$ 15,689,871	\$ 14,906,576	\$ 14,664,362	\$ 14,500,079	\$ 15,122,096	\$ 14,407,529
Contributions as a percentage of covered payroll	13%	14%	15%	14%	15%	15%	19%	19%	21%	14%

PLAINVIEW-OLD BETHPAGE CENTRAL 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	\$ 6,557,683	\$ 5,052,164	\$ 5,430,388	\$ 5,272,221
Interest	3,662,412	4,628,666	4,124,437	3,953,446
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	2,595,586	-	(804,481)
Changes of assumptions or other inputs	1,358,987	23,657,563	(10,799,614)	-
Benefit payments	<u>(4,072,631)</u>	<u>(3,850,625)</u>	<u>(3,378,746)</u>	<u>(2,387,924)</u>
Net change in total OPEB liability	7,506,451	32,083,354	(4,623,535)	6,033,262
Total OPEB liability, beginning	<u>161,187,523</u>	<u>129,104,169</u>	<u>133,727,704</u>	<u>127,694,442</u>
Total OPEB liability, ending	<u><u>\$ 168,693,974</u></u>	<u><u>\$ 161,187,523</u></u>	<u><u>\$ 129,104,169</u></u>	<u><u>\$ 133,727,704</u></u>
Covered employee payroll	\$ 77,588,696	\$ 77,588,696	\$ 73,790,805	\$ 73,790,805
Total OPEB liability as a percentage of covered employee payroll	217.42%	207.75%	174.96%	181.23%
Discount rate	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	6.6% to 4.1% over 56 years	6.6% to 4.1% over 56 years	7.5% to 4.5% over 7 years	7.5% to 4.5% over 5 years

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

Notes to Required Supplementary Information

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

PLAINVIEW-OLD BETHPAGE CENTRAL 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	\$ 164,248,598
Additions:	
Prior year's encumbrances	<u>1,045,176</u>
Original Budget	165,293,774
Budget revisions	<u>115,110</u>
Final Budget	<u><u>\$ 165,408,884</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget	<u><u>\$ 168,142,155</u></u>
Maximum allowed (4% of 2021-2022 budget)	<u><u>\$ 6,725,686</u></u>

General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:

Unrestricted fund balance:		
Assigned fund balance	\$ 3,009,888	
Unassigned fund balance	<u>6,725,686</u>	
		\$ 9,735,574
Less:		
Appropriated fund balance	2,600,000	
Encumbrances	<u>409,888</u>	
Total adjustments		<u>3,009,888</u>

General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 6,725,686</u></u>
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Actual Percentage	4.00%
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PLAINVIEW-OLD BETHPAGE CENTRAL 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	
General fund appropriations 2012-13	\$ 930,140	\$ 930,140	\$ 426,605	\$ 23,387	\$ 449,992	\$ 480,148	\$	\$	\$ 930,140	\$ 930,140	\$ 480,148
General fund appropriations 2013-14	1,434,966	1,434,966	1,306,668		1,306,668	128,298			1,434,966	1,434,966	128,298
General fund appropriations 2014-15	1,898,770	1,898,770	1,687,867		1,687,867	210,903			1,898,770	1,898,770	210,903
General fund appropriations 2015-16	2,700,000	2,700,000	1,440,626	87,721	1,528,347	1,171,653			2,700,000	2,700,000	1,171,653
General fund appropriations 2016-17	2,000,000	2,000,000	2,067,524	42,253	2,109,777	(109,777)			2,000,000	2,000,000	(109,777)
General fund appropriations 2017-18	2,000,000	2,000,000	1,960,806	30,409	1,991,215	8,785			2,000,000	2,000,000	8,785
General fund appropriations 2018-19	2,100,000	2,100,000	1,598,697	92,912	1,691,609	408,391			2,100,000	2,100,000	408,391
General fund appropriations 2019-20	2,641,110	2,641,110	261,436	470,995	732,431	1,908,679			2,641,110	2,641,110	1,908,679
General fund appropriations 2020-21		1,000,000			-	1,000,000			1,000,000	1,000,000	1,000,000
Capital Reserve Project 2010											
District-wide improvements	4,364,500	4,364,500	4,364,500		4,364,500	-			4,364,500	4,364,500	-
Maitlin MS skylights	439,000	439,000	407,507		407,507	31,493			439,000	439,000	31,493
Capital Reserve Project 2014											
District-wide improvements	5,000,000	5,000,000	4,666,484	65,611	4,732,095	267,905			5,000,000	5,000,000	267,905
Capital Reserve Project 2015											
District-wide improvements	5,000,000	5,000,000	2,690,421	129,173	2,819,594	2,180,406			5,000,000	5,000,000	2,180,406
Capital Reserve Project 2017											
District-wide improvements	4,600,000	4,600,000	1,123,978	3,194,147	4,318,125	281,875			4,600,000	4,600,000	281,875
District-wide improvements	7,000,000	7,000,000		449,026	449,026	6,550,974			7,000,000	7,000,000	6,550,974
District-wide improvements	3,800,000	3,800,000		40,837	40,837	3,759,163			3,800,000	3,800,000	3,759,163
Grant project											
High school bleachers	31,950	31,950	31,950		31,950	-		31,950		31,950	-
Jamaica Avenue Parking Lot Sitework	125,791	125,791	125,791		125,791	-		125,791		125,791	-
Improvement to Security System	125,000	125,000	51,441	62,474	113,915	11,085		125,000		125,000	11,085
District-wide HVAC Upgrades		100,000		60,878	60,878	39,122			100,000	100,000	39,122
Smart Schools Bond Act (SSBA)	1,635,653	1,635,653	1,324,134	4,583	1,328,717	306,936		1,635,653		1,635,653	306,936
Bond Projects											
Old Bethpage School	2,500,311	2,500,311	2,248,292	51,259	2,299,551	200,760	2,500,311			2,500,311	200,760
Jamaica Avenue School	666,212	666,212	416,442	11,849	428,291	237,921	666,212			666,212	237,921
Judy Jacobs Parkway School	3,872,854	3,872,854	4,404,301	51,663	4,455,964	(583,110)	3,872,854			3,872,854	(583,110)
Stratford Road School	8,832,458	8,832,458	7,206,733	1,697,436	8,904,169	(71,711)	8,832,458			8,832,458	(71,711)
Plainview-Old Bethpage Middle School	11,723,331	11,723,331	10,158,913	1,004,857	11,163,770	559,561	11,723,331			11,723,331	559,561
H.B. Mattlin Middle School	10,190,041	10,190,041	7,648,465	863,710	8,512,175	1,677,866	10,190,041			10,190,041	1,677,866
Plainview-Old Bethpage High School	5,948,653	5,948,653	5,079,321	495,472	5,574,793	373,860	5,948,653			5,948,653	373,860
Pasadena School	3,375,289	3,375,289	3,897,596	192,688	4,090,284	(714,995)	3,375,289			3,375,289	(714,995)
Fern Place	741,828	741,828	132,520	3,157	135,677	606,151	741,828			741,828	606,151
District-wide	1,965,280	1,965,280	523,808	(523,808)	-	1,965,280	1,265,280		700,000	1,965,280	1,965,280
Total	<u>\$ 97,643,137</u>	<u>\$ 98,743,137</u>	<u>\$ 67,252,826</u>	<u>\$ 8,602,689</u>	<u>\$ 75,855,515</u>	<u>\$ 22,887,622</u>	<u>\$ 49,116,257</u>	<u>\$ 1,918,394</u>	<u>\$ 47,708,486</u>	<u>\$ 98,743,137</u>	22,887,622
									Unissued long-term debt		(4,176,257)
									Unrealized DASNY grant		(125,000)
									Unrealized County grant		(100,000)
									Unrealized SSBA state aid revenue		(978,945)
											<u>\$ 17,507,420</u>

PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2021

Capital assets, net	<u>\$ 105,673,736</u>
Deduct:	
Short-term portion of bonds payable	2,915,000
Long-term portion of bonds payable	39,965,000
Less: Unspent bond proceeds	<u>(75,326)</u>
	<u>42,804,674</u>
Net Investment in Capital Assets	<u><u>\$ 62,869,062</u></u>



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926–2014)

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

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
Plainview-Old Bethpage Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of Plainview-Old Bethpage Central School District (the "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 7, 2021.

Internal Control over Financial Reporting

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

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

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

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749
WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606
PHONE: (631) 234-4444 • FAX: (631) 234-4234

www.rsabrams.com

Compliance and Other Matters

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

Purpose of this Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 7, 2021