

Glen Cove City School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Glen Cove City School District, New York

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Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Glen Cove City School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the School 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.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Notes 2E and 2G in the notes to the financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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.

Supplementary and Other Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 for the year ended June 30, 2021 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, 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, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 14, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 14, 2021

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Glen Cove City School District, New York

Management's Discussion and Analysis
June 30, 2021

The following is a discussion and analysis of the Glen Cove City School District's ("School District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the district-wide and fund-level financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year 2020-2021 are as follows:

- In the district-wide financial statements, revenues increased by 1.6% to \$96,415,229 and expenses increased 2.0% to \$105,765,719 resulting in a decrease in net position of \$9,350,490 for the year ended June 30, 2021.
- The School District's General Fund reflected an increase in fund balance of \$3,715,841.
- The amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,829,870 or 4%, and therefore within the statutory limit.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$105,026,554, a decrease of \$9,350,490 for the year ended June 30, 2021 (Exclusive of a Cumulative Effect of Change in Accounting Principle). The district-wide financial statements must report certain items in accordance with the pronouncements of the Governmental Accounting Standards Board ("GASB"). The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. One of the most significant of the standards, GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", requires the School District to recognize the financial impact associated with other postemployment benefit ("OPEB") liabilities. These liabilities include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. This standard requires the School District to report the *total*, rather than *net*, OPEB liability related to its employees, since New York State has not authorized the establishment of an irrevocable trust to set aside assets for this purpose. The prior standard under the provisions of GASB Statement No. 45 allowed for the amortization of prior service costs over a thirty year period. As a result of the provisions of GASB Statement No. 75, the School District's *total* OPEB liability as of June 30, 2021 is \$172,631,807, compared to \$164,911,520 in the prior year. The OPEB liability is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3E in the notes

to financial statements. Also noteworthy is that this standard parallels the pension standard under the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*", presented in note 3E as well. At June 30, 2021, the School District reported also in its Statement of Net Position a net pension liability of \$5,899,386 for its proportionate share of the TRS and ERS pension liability.

- The School District continued to offer all programs, without reducing services, while maintaining adequate fund balances.

Overview of the Financial Statements

This annual report consists of management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the District-wide statements.
- The *governmental fund financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary fund financial statements* provide information about the financial relationships in which the School District acts solely as a *trustee or agent* for the benefit of others. The School District utilizes the Custodial Fund to account for real property taxes collected for other governments.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities they cover and the type of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Table A-1: Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District collects real property taxes for other governments.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities and Changes in Net Position 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or are available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
 - The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
 - The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
 - The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, other, interest and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section, as the first two pages of the basic financial statements.

Fund Financial Statements

- 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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the 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, readers may better understand the long-term impact of the School District's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains five individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, the School District reported in its Custodial Fund real property taxes collected for other governments.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$105,026,554) at the close of the current fiscal year.

Net Position

	2021	2020
Current Assets	\$ 41,820,374	\$ 38,878,753
Net Pension Asset	-	5,573,543
Capital Assets, net	12,242,129	11,819,225
Total Assets	54,062,503	56,271,521
Deferred Outflows of Resources		
Pension related	24,953,663	
OPEB related	37,179,414	64,380,972
Total Deferred Outflows of Resources	62,133,077	64,380,972
Current Liabilities	7,690,512	9,372,028
Long-term Liabilities	189,576,021	182,357,976
Total Liabilities	197,266,533	191,730,004
Deferred Inflows of Resources		
Deferred amounts on pensions and OPEB	23,955,601	24,706,246
Net Position		
Net Investment in capital assets	10,374,498	9,098,686
Restricted		
Future Capital projects	5,916,110	3,654,183
Capital Projects	668,058	520,174
Tax Certiorari	2,874,363	4,462,428
Workers Compensation Benefits	3,392,581	3,137,110
Unemployment Benefits	393,720	392,988
ERS Retirement System Contributions	4,214,001	4,207,282
TRS Retirement System Contributions	2,185,762	1,422,947
Special Purposes	149,943	162,971 *
Unrestricted	(135,195,590)	(122,734,833)
Total Net Position	\$ (105,026,554)	\$ (95,676,064)

* Restated due to the implementation of GASB Statement No. 84.

Current assets increased by \$2,941,621 from the prior year. Cash and equivalents and investments increased by \$2,558,770 primarily from operating results of the General Fund. The net pension asset for the TRS decreased by \$5,573,543 due to investment losses by the retirement system for its fiscal year ending June 30, 2020.

Long-term liabilities, which consist of general obligation bonds, installment purchase debt, net pension and OPEB liabilities, increased by \$6,918,045 from the previous year. The OPEB liability increased by \$7,720,557 primarily due to a decline in the discount rate. The net pension liabilities to ERS and TRS also increased by a net of \$38,947 due to investment losses for TRS for its fiscal year ending June 30, 2020 partially offset by investment gains for ERS for its fiscal year ending March 31, 2021. The

School District did not issue any new general obligation bonded debt during the year but did retire \$250,000 in previously issued bonded indebtedness.

A large component of the School District's net position, \$10,374,498, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$19,794,538 of net position and are comprised of amounts restricted for specific purposes. The remaining balance represents an unrestricted net deficit of (\$135,195,590). This deficit results mainly from the accrual of the School District's Other Post Employment Benefit Obligations ("OPEB"). These obligations include any benefits provided to retirees, other than a pension, including health insurance as discussed in detail in note 3E in the notes to financial statements.

Changes in Net Position

	2021	2020
REVENUES		
Program Revenues		
Charges for Services	\$ 223,461	\$ 372,061
Operating Grants and Contributions	4,500,750	5,073,291
Capital Grants and Contributions	500,000	-
	5,224,211	5,445,352
General Revenues		
Real Property Taxes	66,579,042	65,007,989
Other Tax Items	9,715,139	8,790,258
Non-property taxes	1,411,662	1,310,830
Unrestricted Use of Money and Property	8,133	110,990
Sale of Property and Compensation for Loss	53,389	74,099
Unrestricted State Aid	12,897,223	13,791,892
Miscellaneous	526,430	409,480
	91,191,018	89,495,538
Total General Revenues	91,191,018	89,495,538
Total Revenues	96,415,229	94,940,890
PROGRAM EXPENSES		
General Support	13,958,279	12,799,904
Instruction	85,523,531	84,270,360
Pupil Transportation	4,830,983	5,023,372
Community Services	-	14,548
Cost of Food Sales	1,301,312	1,448,016
Other	84,747	35,384
Interest	66,867	88,318
	105,765,719	103,679,902
Total Expenses	105,765,719	103,679,902
Change in Net Position	(9,350,490)	(8,739,012)
NET POSITION		
Beginning, as reported	(95,783,757)	(87,044,745)
Cumulative Effect of Change in Accounting Principle *	107,693	-
Beginning, as restated	(95,676,064)	(87,044,745)
Ending	\$ (105,026,554)	\$ (95,783,757)

* Restated due to the implementation of GASB Statement No. 84.

Revenues

- The School District's fiscal year 2021 revenues totaled \$96,415,229. Property and other taxes and State sources accounted for most of the School District's revenue representing 79.2% and 13.4%, respectively. The remainder came from charges for services, operating grants, capital grants and contributions, use of money and property, sale of property and compensation for loss and miscellaneous. The School District received capital grants and contributions of \$500,000 in the current fiscal year and \$900,000 in the prior fiscal year from New York State and local County sources.
- Real property taxes increased by \$1,571,053 or 2.4%. The current property tax increase is attributed to projected increased expenses related to instruction, employee benefits and transportation. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the NYS law, this revenue decreased by \$130,749 during the 2020-2021 fiscal year and has decreased in the past five years shifting this burden from the state to the taxpayers.
- State aid revenues decreased approximately \$945,000 due to the reduction in the state aid formula.
- Interest income decreased by \$558,486 as a result of extremely low interest rates and temporary use of cash on hand for capital projects.

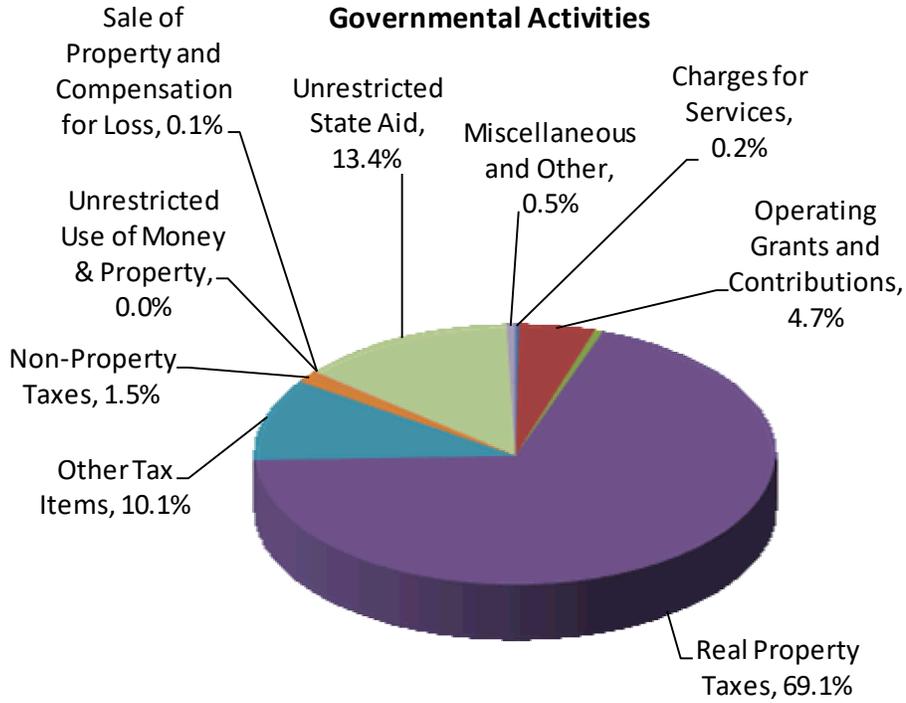
Expenses

- The School District's fiscal year 2021 expenses totaled \$105,765,719. These expenses are predominantly related to instruction and transporting students (86.1%). The School District's administrative and business activities accounted for 12.3% of total costs.
- Instruction program expenses in the aggregate increased by \$1,253,171 or 1.5% from the prior year due in part to pension and OPEB liabilities, partially offset by programs that did not run due to the pandemic.

As indicated on the graphs that follow, the School District relies upon real property taxes as its primary revenue source for Government Activities. The School District's instruction costs account for approximately 80.9% of its expenses.

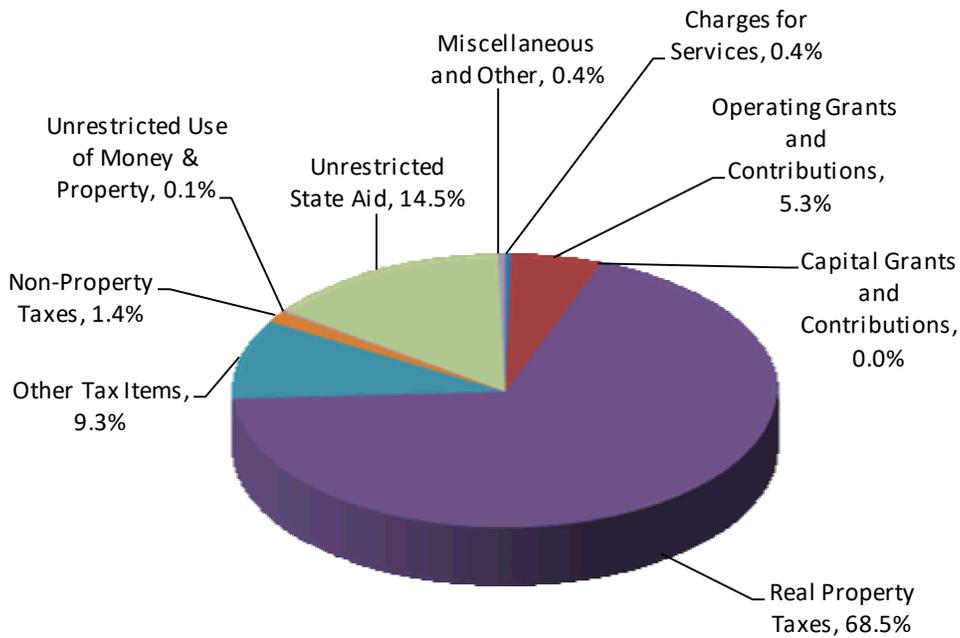
Sources of Revenue for Fiscal Year 2021

Governmental Activities

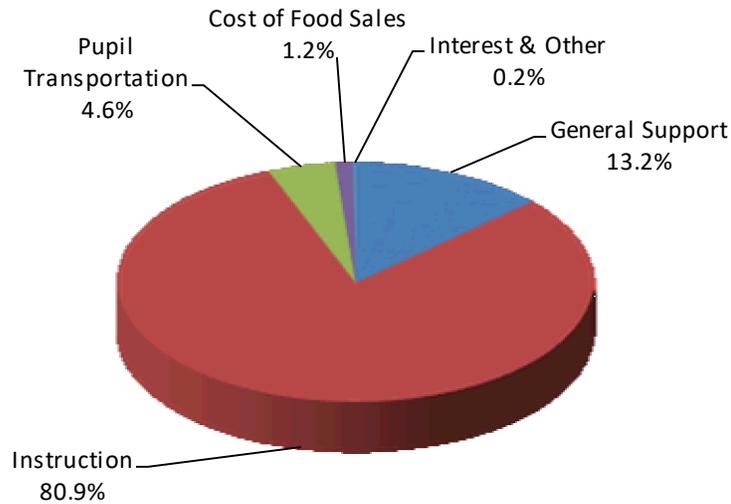


Sources of Revenue for Fiscal Year 2020

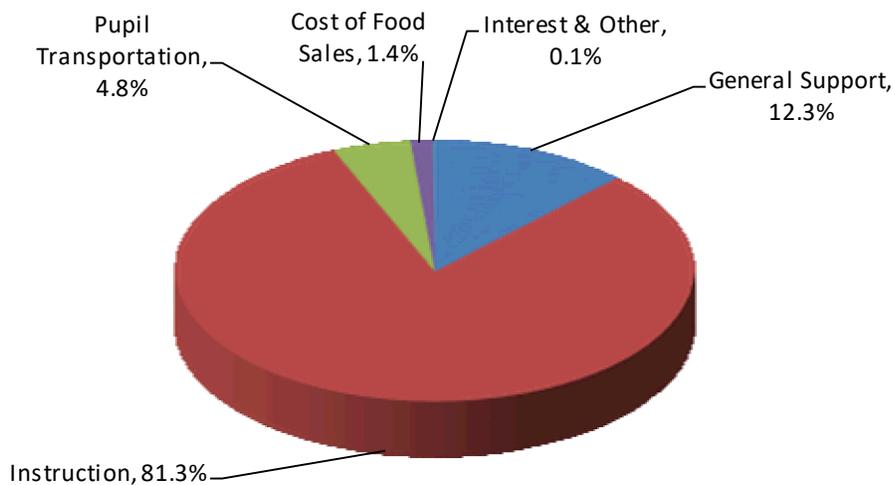
Governmental Activities



Expenses for Fiscal Year 2021 Governmental Activities



Expenses for Fiscal Year 2020 Governmental Activities



Financial Analysis of the School District's Funds

Variations between years for the governmental fund financial statements are not the same as variations between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$31,401,315, an increase of \$3,429,435 from the prior year (inclusive of the cumulative effect of change in accounting principle). This increase is a result of the receipt of additional PILOT revenue and reduced operating expenditures continuing to result from the pandemic. The non-spendable pre-paid expenditure represents a collateral deposit requirement of the health benefits consortium. The \$31,401,315 fund balance consists of the following:

Nonspendable	\$	4,933
Restricted		26,813,971
Assigned		752,541
Unassigned		3,829,870

The definitions of the types of items included in each of these categories are included in Note 1 to the financial statements. A detailed chart of each of the individual amounts in each category is included in Note 3H to the financial statements.

General Fund Budgetary Highlights

The original, voter approved adopted budget of \$93,096,675 was increased by \$667,049 as a result of the rollover of prior year encumbrances for a total original budget of \$93,763,724. The budget was further revised during the 2020-2021 fiscal year by a total of \$1,735,000 from the appropriation of fund balance from the Reserve for Tax Certiorari, the Reserve for Worker's Compensation, and the Reserve for Employee Benefit Accrued Liability, the Reserve for Unemployment Benefits and the Reserve for ERS Retirement System Contributions. As a result, the final budget totaled \$95,498,724.

Revenue Highlights include:

- Increase in taxes due to increased tax levy and decrease in STAR
- Decrease in STAR reimbursement revenue due to changes in NYS Law
- State aid exceeded the budgeted amount by \$433,473 due to significant collections from prior years
- Increase in payments in lieu of taxes ("PILOTS") due to additional PILOTS during the year
- Increase in federal aid due to CARES Act funding and the Governor's Emergency Education Relief funding.
- Decrease in interest income due to extremely low interest rates and temporary use of cash on hand for capital projects

Expenditure Highlights include:

- The expenditure savings occurred as a result of favorable salary breakage across all functional areas, combined with lower than expected increases in the health insurance premiums which resulted in lower than expected employee benefit costs and savings realized by curtailing discretionary spending in all functional areas. Expenditures under budget were realized in General Support (\$1,672,750), Instruction (\$1,850,132) and Employee Benefits (\$1,949,381).

At the end of the current fiscal year, the total fund balance of the General Fund was \$31,031,952, of which \$3,829,870 was unassigned, representing 4.00% of the ensuing year's budget. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

Capital Assets and Debt Administration

Capital Assets

By the end of 2021, the School District had invested \$12,242,129 net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative offices. The change in capital assets, net of accumulated depreciation, is delineated below and provides comparative balances from the prior year.

<u>Class</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 239,225	\$ 239,225
Construction-in-Progress	568,761	22,155
Land Improvements	915,166	1,022,852
Buildings and Improvements	9,770,563	9,901,665
Machinery and Equipment	748,414	633,328
Total Capital Assets, net of accumulated depreciation	<u>\$ 12,242,129</u>	<u>\$ 11,819,225</u>

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	<u>June 30, 2021</u>	<u>June 30, 2010</u>
General Obligation Bonds Payable	\$ 1,250,000	\$ 1,500,000
Installment Purchase Debt Payable	617,631	1,220,539
Claims Payable	1,646,269	1,849,196
Compensated Absences	7,230,928	7,016,282
Net Pension Liability (ERS and TRS)	5,899,386	5,860,439
Other Post Employment Benefit Liability Payable	<u>172,631,807</u>	<u>164,911,520</u>
	<u>\$ 189,276,021</u>	<u>\$ 182,357,976</u>

During the 2020-2021 fiscal year, the School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. As noted earlier, the sharp increase was due to a decrease in the discount rate compared to the previous year. This liability will continue to grow as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in Note 3E in the notes to financial statements.

Factors Bearing on the Future of District

At the time these financial statements were prepared and audited, the School District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The voters of the School District approved the 2021-2022 budget for \$95,746,755. The School District plans on the use of \$2,980,419 of reserves for next year's budget.
- The national economy continues to have a negative impact on virtually every municipal budget. A result could be that State aid to the School District could be negatively impacted in amount and/or timing.
- Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the School District was required to adopt a contingent budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index. Although there are exceptions, exemptions and overrides to the limitation, the new Law is expected to make budgetary decisions more difficult.
- Significant increases in the cost of health insurance and contributions to the retirement systems continue to place a greater burden on the School District's finances. Contributions to the State Retirement Systems are one of the exemptions to the "Tax Levy Limitation Law".
- The School District is currently the only one in both Nassau and Suffolk Counties which must pay tax certiorari judgments directly to the taxpayers. In all other school districts, they are paid by the County. This is an unanticipated annual expenditure which places significant financial burden on the budget.
- The degree of the continued impact on the School District's operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity.

Contacting the District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Glen Cove City School District
District Offices
Attn: Assistant Superintendent for Business
Dosoris Lane
Glen Cove, New York 11542
(516) 801-7030

Glen Cove City School District, New YorkStatement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 34,916,230
Receivables	
Taxes	2,412,438
Accounts	5,785
State and Federal aid	3,423,129
Due from other governments	1,057,859
Inventories	4,933
Capital assets	
Not being depreciated	807,986
Being depreciated, net	<u>11,434,143</u>
Total Assets	<u>54,062,503</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	24,953,663
OPEB related	<u>37,179,414</u>
Total Deferred Outflows of Resources	<u>62,133,077</u>
LIABILITIES	
Accounts payable	1,338,301
Accrued liabilities	472,506
Due to other governments	759,658
Due to retirement systems	4,080,091
Employee payroll deductions	42,841
Unearned revenues	1,282,020
Accrued interest payable	15,095
Non-current liabilities	
Due within one year	2,584,686
Due in more than one year	<u>186,691,335</u>
Total Liabilities	<u>197,266,533</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	9,311,992
OPEB related	<u>14,643,609</u>
Total Deferred Inflows of Resources	<u>23,955,601</u>
NET POSITION	
Net investment in capital assets	10,374,498
Restricted	
Future Capital projects	5,916,110
Capital projects	668,058
Tax certiorari	2,874,363
Workers' compensation benefits	3,392,581
Unemployment benefits	393,720
ERS retirement system contributions	4,214,001
TRS retirement system contributions	2,185,762
Special purposes	149,943
Unrestricted	<u>(135,195,590)</u>
Total Net Position	<u>\$ (105,026,554)</u>

The notes to financial statements are an integral part of this statement.

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Glen Cove City School District, New York

Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 13,958,279	\$ -	\$ 38,298	\$ -	\$ (13,919,981)
Instruction	85,523,531	180,463	3,679,173	500,000	(81,163,895)
Pupil transportation	4,830,983	-	-	-	(4,830,983)
Cost of food sales	1,301,312	42,998	711,560	-	(546,754)
Other	84,747	-	71,719	-	(13,028)
Interest	66,867	-	-	-	(66,867)
Total Governmental Activities	\$ 105,765,719	\$ 223,461	\$ 4,500,750	\$ 500,000	(100,541,508)
General revenues					
Real property taxes					66,579,042
Other tax items					
School tax relief reimbursement					4,308,238
Payments in lieu of taxes					5,053,722
Interest and penalties on real property taxes					353,179
Non-property taxes					
Non-property tax distribution from County					1,411,662
Unrestricted use of money and property					8,133
Sale of property and compensation for loss					53,389
Unrestricted State aid					12,897,223
Miscellaneous					526,430
Total General Revenues					91,191,018
Change in Net Position					(9,350,490)
Net Position - Beginning, as reported					(95,783,757)
Cumulative Effect of Change in Accounting Principle					107,693
Net Position - Beginning, as restated					(95,676,064)
Ending					\$ (105,026,554)

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2021

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 34,741,924	\$ 278	\$ 70
Receivables			
Taxes	2,412,438	-	-
Accounts	5,206	-	-
State and Federal aid	943,484	1,726,895	500,000
Due from other governments	1,007,859	-	50,000
Due from other funds	1,428,768	-	294,449
Inventories	-	-	-
Total Assets	<u>\$ 40,539,679</u>	<u>\$ 1,727,173</u>	<u>\$ 844,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,156,013	\$ 77,326	\$ 80,641
Accrued liabilities	472,503	-	-
Due to other governments	759,617	-	-
Due to other funds	-	1,470,817	-
Due to retirement systems	4,080,091	-	-
Employee payroll deductions	42,841	-	-
Unearned revenues	1,282,020	-	-
Total Liabilities	<u>7,793,085</u>	<u>1,548,143</u>	<u>80,641</u>
Deferred inflows of resources			
Unavailable revenues	-	179,030	550,000
Deferred tax revenues	1,714,612	-	-
Total Deferred Inflows of Resources	<u>1,714,612</u>	<u>179,030</u>	<u>550,000</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,507,697</u>	<u>1,727,173</u>	<u>630,641</u>
Fund balances			
Nonspendable	-	-	-
Restricted	26,450,150	-	213,878
Assigned	751,962	-	-
Unassigned	3,829,870	-	-
Total Fund Balances	<u>31,031,982</u>	<u>-</u>	<u>213,878</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,539,679</u>	<u>\$ 1,727,173</u>	<u>\$ 844,519</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 173,958	\$ 34,916,230
-	2,412,438
579	5,785
252,750	3,423,129
-	1,057,859
-	1,723,217
4,933	4,933
<u>\$ 432,220</u>	<u>\$ 43,543,591</u>
\$ 24,321	\$ 1,338,301
3	472,506
41	759,658
252,400	1,723,217
-	4,080,091
-	42,841
-	1,282,020
<u>276,765</u>	<u>9,698,634</u>
-	729,030
-	1,714,612
-	2,443,642
<u>276,765</u>	<u>12,142,276</u>
4,933	4,933
149,943	26,813,971
579	752,541
-	3,829,870
<u>155,455</u>	<u>31,401,315</u>
<u>\$ 432,220</u>	<u>\$ 43,543,591</u>

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Glen Cove City School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2021

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balances - Total Governmental Funds	<u>\$ 31,401,315</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	807,986
Capital assets - depreciable	35,184,842
Accumulated depreciation	<u>(23,750,699)</u>
	<u>12,242,129</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	24,953,663
Deferred outflows - OPEB related	37,179,414
Deferred inflows - pension related	(9,311,992)
Deferred inflows - OPEB related	<u>(14,643,609)</u>
	<u>38,177,476</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Miscellaneous unavailable Capital Projects Fund revenues	<u>550,000</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	1,714,612
State aid	<u>179,030</u>
	<u>1,893,642</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(15,095)
General obligation bonds payable	(1,250,000)
Installment purchase debt payable	(617,631)
Claims payable	(1,646,269)
Compensated absences	(7,230,928)
Net pension liability - ERS	(20,928)
Net pension liability - TRS	(5,878,458)
Net OPEB liability	<u>(172,631,807)</u>
	<u>(189,291,116)</u>
Net Position of Governmental Activities	<u><u>\$ (105,026,554)</u></u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2021

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 66,482,816	\$ -	\$ -
Other tax items	9,715,139	-	-
Non-property taxes	1,411,662	-	-
Charges for services	180,463	-	-
Use of money and property	46,431	-	-
Sale of property and compensation for loss	53,389	-	-
State aid	13,292,999	609,247	-
Federal aid	491,669	1,988,501	-
Miscellaneous	541,380	-	-
Total Revenues	<u>92,215,948</u>	<u>2,597,748</u>	<u>-</u>
EXPENDITURES			
Current			
General support	10,672,794	-	-
Instruction	51,853,515	3,033,532	-
Pupil transportation	4,807,485	379	-
Employee benefits	18,695,694	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	852,908	-	-
Interest	77,620	-	-
Capital outlay	-	-	830,552
Total Expenditures	<u>86,960,016</u>	<u>3,033,911</u>	<u>830,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,255,932</u>	<u>(436,163)</u>	<u>(830,552)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	16,055	436,163	600,000
Transfers out	(1,556,146)	-	(16,055)
Total Other Financing Sources (Uses)	<u>(1,540,091)</u>	<u>436,163</u>	<u>583,945</u>
Net Change in Fund Balances	3,715,841	-	(246,607)
FUND BALANCES			
Beginning of Year, as restated	<u>27,316,141</u>	<u>-</u>	<u>460,485</u>
End of Year	<u>\$ 31,031,982</u>	<u>\$ -</u>	<u>\$ 213,878</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 66,482,816
-	9,715,139
-	1,411,662
-	180,463
279	46,710
-	53,389
24,716	13,926,962
686,812	3,166,982
114,470	655,850
826,277	95,639,973
-	10,672,794
-	54,887,047
-	4,807,864
-	18,695,694
1,301,312	1,301,312
84,747	84,747
-	852,908
-	77,620
-	830,552
1,386,059	92,210,538
(559,782)	3,429,435
519,983	1,572,201
-	(1,572,201)
519,983	-
(39,799)	3,429,435
195,254	27,971,880
\$ 155,455	\$ 31,401,315

Glen Cove City School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,429,435</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	1,489,853
Depreciation expense	<u>(1,066,949)</u>
	<u>422,904</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	96,226
State aid	179,030
Miscellaneous Capital Project Fund revenues	<u>500,000</u>
	<u>775,256</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on general obligation bonds	250,000
Principal paid on installment purchase debt	<u>602,908</u>
	<u>852,908</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	10,753
Claims	202,927
Compensated absences	(214,646)
Changes in pension liabilities and related deferred outflows and inflows of resources	(4,018,331)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(10,811,696)</u>
	<u>(14,830,993)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (9,350,490)</u></u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 66,586,447	\$ 66,586,447	\$ 66,482,816	\$ (103,631)
Other tax items	8,592,235	8,592,235	9,715,139	1,122,904
Non-property taxes	1,375,000	1,375,000	1,411,662	36,662
Charges for services	208,500	208,500	180,463	(28,037)
Use of money and property	270,000	270,000	46,431	(223,569)
Sale of property and compensation for loss	-	-	53,389	53,389
State aid	12,859,526	12,859,526	13,292,999	433,473
Federal aid	754,967	754,967	491,669	(263,298)
Miscellaneous	60,000	60,000	541,380	481,380
Total Revenues	90,706,675	90,706,675	92,215,948	1,509,273
EXPENDITURES				
Current				
General support	11,215,786	13,032,700	10,672,794	2,359,906
Instruction	54,013,333	53,768,453	51,853,515	1,914,938
Pupil transportation	6,078,850	5,551,275	4,807,485	743,790
Community services	20,150	14,545	-	14,545
Employee benefits	20,645,075	20,645,075	18,695,694	1,949,381
Debt service				
Principal	852,910	852,910	852,908	2
Interest	77,620	77,620	77,620	-
Total Expenditures	92,903,724	93,942,578	86,960,016	6,982,562
Excess (Deficiency) of Revenues Over Expenditures	(2,197,049)	(3,235,903)	5,255,932	8,491,835
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	16,055	16,055
Transfers out	(860,000)	(1,556,146)	(1,556,146)	-
Total Other Financing Sources (Uses)	(860,000)	(1,556,146)	(1,540,091)	16,055
Net Change in Fund Balances	(3,057,049)	(4,792,049)	3,715,841	8,507,890
FUND BALANCES				
Beginning of Year	3,057,049	4,792,049	27,316,141	22,524,092
End of Year	\$ -	\$ -	\$ 31,031,982	\$ 31,031,982

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2021

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 16,480</u>
LIABILITIES	
Due to other governments	<u>\$ 16,480</u>

The notes to financial statements are an integral part of this statement.

Glen Cove City School District, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 3,302,200
DEDUCTIONS	
Payments of real property taxes to other governments	<u>3,302,200</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

The notes to financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Glen Cove City School District, New York ("School District"), operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Nassau County Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. There is no authority or process by which a school district can terminate its status as a BOCES component. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Nassau County BOCES, 71 Clinton Road, Garden City, New York 11530.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital

Note 1 - Summary of Significant Accounting Policies (Continued)

projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual

Note 1 - Summary of Significant Accounting Policies (Continued)

accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st. Taxes are collected during the period August 1 to June 30. The City of Glen Cove, New York ("City") is responsible for the billing and collection of the taxes. The City guarantees the full payment of the School District warrant and assumes responsibility for the uncollected taxes. The taxes receivable amount of \$2,412,438 is generally paid to the School District no later than December 31st.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	30-50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$1,282,020 for a payment in lieu of tax and miscellaneous revenues collected in advance in the General Fund.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District reported deferred inflows of resources of \$1,714,612 for real property taxes in the General Fund, \$179,030 for State Aid in the Special Aid Fund, and \$550,000 for unavailable revenues in the Capital Projects Fund.

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB Statement No. 68*".

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of

Note 1 - Summary of Significant Accounting Policies (Continued)

resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for future capital projects, capital projects, tax certiorari, workers compensation benefits, unemployment benefits, ERS and TRS retirement contributions, and special purpose.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business Administration for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all

Note 1 - Summary of Significant Accounting Policies (Continued)

funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 14, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch and Special Purpose funds since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount to 4% of the ensuing year's budget. The School District is within the limit.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. Capital Projects Fund Project Deficits

The deficits in the Science Lab, Connolly Playground, High School and Middle School Rigging, and Middle School Boilers capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Adoption of Accounting Standard

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain

Note 2 - Stewardship, Compliance and Accountability (Continued)

transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

F. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

G. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No.84, “*Fiduciary Activities*”, for the year ended June 30, 2021. Certain amounts previously reported in the School District’s Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$90,180 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$107,693 to the July 1, 2020 net position of governmental activities for this same reason.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at June 30, 2021 consisted of the following:

Current Year Taxes	<u>\$ 2,412,438</u>
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Taxes receivable are offset in the fund financial statements by deferred tax revenues of \$1,714,612, which represents taxes receivable which are not collected within the first sixty days of the subsequent year.

B. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2021 were as follows:

Fund	Due From	Due To
General	\$ 1,428,768	\$ -
Special Aid	-	1,470,817
Capital Projects	294,449	-
Non-Major Governmental	-	252,400
	\$ 1,723,217	\$ 1,723,217

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	\$ 239,225	\$ -	\$ -	\$ 239,225
Construction-in-Progress	22,155	830,551	283,945	568,761
Total Capital Assets, not being depreciated	\$ 261,380	\$ 830,551	\$ 283,945	\$ 807,986
Capital Assets, being depreciated:				
Land Improvements	\$ 2,550,564	\$ -	\$ -	\$ 2,550,564
Buildings and Improvements	29,730,836	676,313	-	30,407,149
Machinery and Equipment	1,960,195	266,934	-	2,227,129
Total Capital Assets, being depreciated	34,241,595	943,247	-	35,184,842
Less Accumulated Depreciation for:				
Land Improvements	1,527,712	107,686	-	1,635,398
Buildings and Improvements	19,829,171	807,415	-	20,636,586
Machinery and Equipment	1,326,867	151,848	-	1,478,715
Total Accumulated Depreciation	22,683,750	1,066,949	-	23,750,699
Total Capital Assets, being Depreciated, net	\$ 11,557,845	\$ (123,702)	\$ -	\$ 11,434,143
Capital Assets, net	\$ 11,819,225	\$ 706,849	\$ 283,945	\$ 12,242,129

Depreciation expense was charged to School District functions and programs as follows:

General Support	\$ 490,829
Instruction	576,120
Total Depreciation Expense	\$ 1,066,949

D. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	General Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	\$ 472,503	\$ 3	\$ 472,506

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance June 30, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	\$ 1,500,000	\$ -	\$ 250,000	\$ 1,250,000	\$ 250,000
Installment Purchase Debt Payable	1,220,539	-	602,908	617,631	617,631
Other Non-current Liabilities:					
Claims Payable	1,849,196	1,100,931	1,303,858	1,646,269	994,055
Compensated Absences	7,016,282	916,646	702,000	7,230,928	723,000
Net Pension Liability - ERS	5,860,439	-	5,839,511	20,928	-
Net Pension Liability (Asset) - TRS	(5,573,543)	11,452,001	-	5,878,458	-
Other Postemployment Benefit Benefit Liability	164,911,520	11,410,760	3,690,473	172,631,807	-
Total Other Non-current Liabilities	174,063,894	24,880,338	11,535,842	187,408,390	1,717,055
Total Long-Term Liabilities	\$ 176,784,433	\$ 24,880,338	\$ 12,388,750	\$ 189,276,021	\$ 2,584,686

The School District's indebtedness for general obligation bonds, installment purchase debt, claims, compensated absences, net pension liability and other postemployment benefit liabilities is satisfied by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2021 is comprised of the following individual issue:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
District-wide Improvements	2010	\$ 3,456,250	May 2026	3.0 - 3.375 %	\$ 1,250,000

Interest expenditures of \$47,813 were recorded in the fund financial statements in the General Fund. Interest expense of \$46,876 was recorded in the district-wide financial statements.

Installment Purchase Debt Payable

The School District, in 2012, entered into a lease agreement for the acquisition of certain equipment. The terms of the agreement provide for the repayment of the principal amount of \$5,621,161 in ten annual installments of \$632,715, including interest at 2.44%. The balance due at June 30, 2021 was \$617,631.

The School District, in 2015, entered into a lease agreement for the acquisition of a plow truck. The terms of the agreement provide for the repayment of the principal amount of \$41,714 in five annual installments of \$9,088, including interest at 4.47%. The obligation was satisfied in the current year.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$29,807 were recorded in the fund financial statements in the General Fund. Interest expense of \$19,991 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and installment purchase debt as of June 30, 2021 including interest payments of \$138,522 are as follows:

Year Ending June 30,	General Obligation Bonds		Installment Purchase Debt	
	Principal	Interest	Principal	Interest
2022	\$ 250,000	\$ 40,313	\$ 617,631	\$ 15,083
2023	250,000	32,813	-	-
2024	250,000	25,000	-	-
2025	250,000	11,875	-	-
2026	250,000	13,438	-	-
	<u>\$ 1,250,000</u>	<u>\$ 123,439</u>	<u>\$ 617,631</u>	<u>\$ 15,083</u>

Year Ending June 30,	Total	
	Principal	Interest
2022	\$ 867,631	\$ 55,396
2023	250,000	32,813
2024	250,000	25,000
2024	250,000	11,875
2026	250,000	13,438
	<u>\$ 1,867,631</u>	<u>\$ 138,522</u>

The above general obligation bonds and installment purchase debt are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Claims Payable

The district-wide financial statement reflects workers' compensation benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed

Note 3 - Detailed Notes on All Funds (Continued)

periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of unpaid claim liabilities is as follows:

	<u>2021</u>	<u>2020</u>
Unpaid Claims - Beginning of Year	\$ 576,105	\$ 729,135
Incurred Claims including IBNR's	59,211	163,487
Claims Paid	<u>(229,580)</u>	<u>(316,517)</u>
Unpaid Claims - End of Year	<u>\$ 405,736</u>	<u>\$ 576,105</u>
Due within One Year	<u>\$ 41,000</u>	<u>\$ 58,000</u>

This amount has been recorded as an expense and liability in the district-wide financial statements. Claims payable also includes a liability of \$1,240,533 for court ordered tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the district-wide financial statements. The portion of tax certiorari due and payable within one year is \$953,055.

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate certain employees for accumulated sick leave. For these employees to receive reimbursement, they must be eligible for retirement, and must give notice pursuant to contract provisions. Clerical, custodial employees and administrators are granted vacation in varying amounts, based primarily on length of service and service position. These benefits may be forfeited if not taken within the varying time periods. The value of the compensated absences is calculated based on pay rates in effect at year-end and has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which

Note 3 - Detailed Notes on All Funds (Continued)

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/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. 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. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75G	20.8 %
	2 75G	19.0
	3 A14	16.2
	4 A15	16.2
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53%

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 20,928	\$ 5,878,458
School Districts' proportion of the net pension liability	0.0210178 %	0.212736 %
Change in proportion since the prior measurement date	(0.0011133) %	(0.001796) %

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2021, the School District recognized pension expense in the district-wide financial statements of \$8,553,122 (\$558,607 for ERS and \$7,994,515 for TRS). Pension expenditures for ERS of \$1,045,754 were reported in the fund financial statements and were charged to the General Fund. Pension expenditures for TRS of \$3,489,037 were recorded in the fund financial statements in the General Fund.

At June 30, 2021, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,591	\$ -	\$ 5,150,706	\$ 301,260
Changes of assumptions	3,848,032	72,575	7,434,881	2,650,147
Net difference between projected and actual earnings on pension plan investments	-	6,011,829	3,839,148	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	274,625	111,153	380,312	165,028
School District contributions subsequent to the measurement date	282,300	-	3,488,068	-
	<u>\$ 4,660,548</u>	<u>\$ 6,195,557</u>	<u>\$ 20,293,115</u>	<u>\$ 3,116,435</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 5,406,297	\$ 301,260		
Changes of assumptions	11,282,913	2,722,722		
Net difference between projected and actual earnings on pension plan investments	3,839,148	6,011,829		
Changes in proportion and differences between School District contributions and proportionate share of contributions	654,937	276,181		
School District contributions subsequent to the measurement date	3,770,368	-		
	<u>\$ 24,953,663</u>	<u>\$ 9,311,992</u>		

\$282,300 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2022. The \$3,488,068

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

reported as deferred outflows of resources related to TRS will be recognized as an decrease of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	\$ -	\$ 2,370,894
2022	(290,432)	4,703,612
2023	(76,621)	3,858,825
2024	(296,098)	2,380,995
2025	(1,154,158)	89,055
Thereafter	-	285,231
	\$ (1,817,309)	\$ 13,688,612

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

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

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

Glen Cove City School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.10 %
International Equity	15	6.30	16	7.70
Private Equity	10	6.75	8	10.40
Real Estate	9	4.95	11	6.80
Domestic Fixed Income Securities	-	-	16	1.80
Global Fixed Income Securities	-	-	2	1.00
High Yield Fixed Income Securities	-	-	1	3.90
Global Equities	-	-	4	7.40
Private Debt	-	-	1	5.20
Real Estate Debt	-	-	7	3.60
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	-	-
Cash	1	0.50	1	0.70
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System’s fiduciary net position was projected to be available

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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.

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 5,808,875</u>	<u>\$ 20,928</u>	<u>\$ (5,316,914)</u>
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 37,132,195</u>	<u>\$ 5,878,458</u>	<u>\$ (20,351,347)</u>

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 220,680,157,000	\$ 123,242,776,215
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.76%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2021 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2021 were \$282,300 to ERS and \$3,797,792 to TRS, inclusive of \$309,724 of employee contributions.

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending upon salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in the program.

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	320
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	<u>607</u>
	<u><u>928</u></u>

The School District’s total OPEB liability of \$172,631,807 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

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

Salary increases	3.50%
Discount rate	2.16%
Healthcare cost trend rates	7.0% for 2021, decreasing 0.5% per year to an ultimate rate of 5.00% for 2025 and later years
Retirees' share of benefit-related costs	Varies from 5% to 65% depending on applicable retirement year and bargaining unit

The discount rate was based on the Bond Buyer’s 20 Bond Index.

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the Society of Actuaries Mortality Projection Scale MP-2019.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 164,911,520
Service cost	6,185,271
Interest	3,740,682
Differences between expected and actual experience	(136,770)
Changes in assumptions or other inputs	1,621,577
Benefit payments	<u>(3,690,473)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 172,631,807</u></u>

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

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	<u>\$ 210,313,042</u>	<u>\$ 172,631,807</u>	<u>\$ 143,995,724</u>

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

	1% Decrease (6.0% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 5.00%)	1% Increase (8.0% decreasing to 6.00%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	<u>\$ 138,983,308</u>	<u>\$ 172,631,807</u>	<u>\$ 218,613,195</u>

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2021, the School District recognized OPEB expense of \$14,502,169 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of assumptions or other inputs	\$ 4,098,415	\$ 37,136,228
Differences between expected and actual experience	<u>10,545,194</u>	<u>43,186</u>
	<u>\$ 14,643,609</u>	<u>\$ 37,179,414</u>

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

<u>Year Ended June 30,</u>		
2021	\$	4,576,216
2022		4,576,216
2023		4,576,216
2024		4,576,216
2025		4,576,216
Thereafter		<u>(345,275)</u>
		<u>\$ 22,535,805</u>

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

<u>Transfers Out</u>	<u>General Fund</u>	<u>Transfers In</u>			<u>Total</u>
		<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 436,163	\$ 600,000	\$ 519,983	\$ 1,556,146
Capital Projects Fund	<u>16,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,055</u>
	<u>\$ 16,055</u>	<u>\$ 436,163</u>	<u>\$ 600,000</u>	<u>\$ 519,983</u>	<u>\$ 1,572,201</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects fund expenditures and 2) move unexpended Capital Projects Fund balances to the General Fund that originally provided the funding.

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used for future capital projects.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for ERS Retirement System Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Glen Cove City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 4,933	\$ 4,933	\$ -	\$ -	\$ 32,283	\$ 32,283
Restricted:								
Tax certiorari	2,624,896	-	-	2,624,896	3,122,428	-	-	3,122,428
Tax certiorari - for subsequent year's expenditures	1,500,000	-	-	1,500,000	1,340,000	-	-	1,340,000
Workers' compensation benefits	2,992,581	-	-	2,992,581	2,937,110	-	-	2,937,110
Workers' compensation benefits - for subsequent year's expenditures	200,000	-	-	200,000	200,000	-	-	200,000
Employee benefit accrued liability	5,184,622	-	-	5,184,622	5,423,186	-	-	5,423,186
Employee benefit accrued liability - for subsequent year's expenditures	250,000	-	-	250,000	250,000	-	-	250,000
Unemployment benefits	343,720	-	-	343,720	392,988	-	-	392,988
Unemployment benefits - for subsequent year's expenditures	50,000	-	-	50,000	-	-	-	-
ERS retirement system contributions	2,633,582	-	-	2,633,582	3,607,282	-	-	3,607,282
ERS retirement system contributions - for subsequent year's expenditures	980,419	-	-	980,419	600,000	-	-	600,000
TRS retirement system contributions	2,146,423	-	-	2,146,423	1,422,947	-	-	1,422,947
Future Capital projects	7,543,907	-	-	7,543,907	3,654,183	-	-	3,654,183
Capital projects	-	213,878	-	213,878	-	460,485	-	460,485
Special purposes (1)	-	-	149,943	149,943	-	-	162,971	162,971
Total Restricted	26,450,150	213,878	149,943	26,813,971	22,950,124	460,485	162,971	23,573,580
Assigned:								
Purchases on order:								
General government support	687,156	-	-	687,156	439,965	-	-	439,965
Instruction	64,806	-	-	64,806	227,084	-	-	227,084
Total Assigned	751,962	-	-	751,962	667,049	-	-	667,049
School Lunch Fund	-	-	579	579	-	-	-	-
Unassigned	3,829,870	-	-	3,829,870	3,698,968	-	-	3,698,968
Total Fund Balances (Deficits)	\$ 31,031,982	\$ 213,878	\$ 155,455	\$ 31,401,315	\$ 27,316,141	\$ 460,485	\$ 195,254	\$ 27,971,880

(1) Balance at June 30, 2020 restated for the implementation of the provisions of GASB Statement No. 84, "Fiduciary Activities".

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-r of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Capital Projects - the component of fund balance that reports the amounts restricted for capital project improvements as established by Section 3651 of the Education Law of the State of New York.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2021, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The School District, in common with other School District's, receives numerous notices of claims for monetary damages arising from property damage or personal injury. Of all the claims currently pending, none are expected to have a material effect on the School District's financial position if adversely affected.

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Risk Management

The School District is exposed to various risks of loss. The School District purchases various insurance coverages from independent third parties to reduce its exposure to loss. In addition to other coverages, the School District maintains commercial general liability insurance coverage with policy limits of \$1 million per occurrence. The School District also maintains school board legal and employment practices liability coverage for school board members and employees up to \$1 million per claim and \$3 million in the aggregate and an excess catastrophe liability policy (umbrella) with a limit of \$15 million per occurrence/claim. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District participates in the New York Schools Insurance Reciprocal ("NYSIR"), a not-for-profit municipally owned insurance company, for its School District property and liability insurance coverage. NYSIR is a New York State licensed and filed insurance company that exclusively insures its member New York public school districts and BOCES'. The School District has essentially transferred its property and liability risk to the reciprocal pool.

The School District has established a self-insured plan for risks associated with workers' compensation claims. The workers' compensation claims are covered up to statutory limits. Insurance coverage has been secured for losses in excess of \$500,000 up to statutory limits. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include provisions for claims reported and claims incurred but not reported.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issues GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 6 - Tax Abatement

The School District has real property tax abatement agreements with the City of Glen Cove ("City") and the County of Nassau Industrial Development Agency ("IDA"), 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.

Glen Cove City School District, New York

Notes to Financial Statements (Concluded)
 June 30, 2021

Note 6 - Tax Abatement (Continued)

Copies of the agreements may be obtained from the School District. Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2021 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
11/1/2001	Avalon I	\$ 49,323,500	\$ 4.63	\$ 2,283,198	\$ 1,207,934	\$ 1,075,264
9/1/2005	Avalon II	15,965,000	4.63	739,024	414,031	324,993
8/17/2011	Men on the Move	9,265,000	4.63	428,879	205,499	223,380
12/20/2011	Fair Housing	19,992,000	4.63	925,435	33,234	892,201
12/27/2013	Movie Theatre	2,428,500	4.63	112,416	46,043	66,373
12/27/2013	Long Island Power Authority	60,065,544	4.63	2,780,450	1,503,056	1,277,394
4/19/2016	The Regency	8,103,000	4.63	375,090	270,553	104,537
12/1/2016	Samuel Pierce Apartments	6,107,000	4.63	282,695	38,506	244,189
1/1/2017	RXR Realty	188,321,672	4.63	8,717,460	1,148,340	7,569,120
12/1/2017	50 Glen Street	2,575,000	4.63	119,197	71,861	47,336
1/1/2019	Village Square	18,900,000	4.63	874,886	114,665	760,221
		<u>\$ 381,046,216</u>		<u>\$ 17,638,730</u>	<u>\$ 5,053,722</u>	<u>\$ 12,585,008</u>

The School District also received a PILOT payment in the amount of \$1,164,384 from the City related to the Long Island Power Authority. This PILOT is not considered a tax abatement as the purpose of this agreement was not to abate taxes. In addition, the school District received PILOT payments from two properties (Men on the Move for \$258,248 and Village Square for \$114,665) for which no taxes were abated.

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Glen Cove City School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1) (2)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 6,185,271	\$ 3,882,402	\$ 4,307,806	\$ 4,436,118
Interest	3,740,682	4,764,455	4,564,330	4,241,500
Differences between expected and actual experience	(136,770)	(14,225,354) (5)	(142,206)	62,106
Changes in assumptions or other inputs	1,621,577 (7)	49,269,711 (6)	(5,409,208) (4)	-
Benefit payments	<u>(3,690,473)</u>	<u>(3,634,761)</u>	<u>(3,774,635)</u>	<u>(3,754,667)</u>
Net Change in Total OPEB Liability	7,720,287	40,056,453	(453,913)	4,985,057
Total OPEB Liability – Beginning of Year	<u>164,911,520</u>	<u>124,855,067</u>	<u>125,308,980</u>	<u>120,323,923</u> (3)
Total OPEB Liability – End of Year	<u>\$ 172,631,807</u>	<u>\$ 164,911,520</u>	<u>\$ 124,855,067</u>	<u>\$ 125,308,980</u>
School District's covered-employee payroll	<u>\$ 41,024,579</u>	<u>\$ 40,014,189</u>	<u>\$ 40,487,744</u>	<u>\$ 39,308,489</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>421%</u>	<u>412%</u>	<u>308%</u>	<u>319%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) The discount rate decreased from 3.58% in 2018 to 3.87% in 2019.

(5) Differences between expected and actual experience were attributable to a) increases above what was expected in the overall number of active employees b) a level of active employees terminating that is less than expected c) mortality experience more favorable than expected d) overall average claims costs higher than expected.

(6) The discount rate decreased from 3.87% in 2019 to 2.21% in 2020.

(7) The discount rate decreased from 2.21% in 2020 to 2.16% in 2021.

Glen Cove City School District, New York

Required Supplementary Information - Schedule of the
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Assets) (2)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.212736%</u>	<u>0.214532%</u>	<u>0.211353%</u>	<u>0.215753%</u>	<u>0.217187%</u>	<u>0.218589%</u>	<u>0.221498%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 5,878,458</u>	<u>\$ (5,573,543)</u>	<u>\$ (3,821,825)</u>	<u>\$ (1,639,938)</u>	<u>\$ 2,326,168</u>	<u>\$ (22,704,389)</u>	<u>\$ (24,673,535)</u>
School District's covered payroll	<u>\$ 36,107,957</u>	<u>\$ 35,809,765</u>	<u>\$ 34,959,034</u>	<u>\$ 34,187,065</u>	<u>\$ 34,406,892</u>	<u>\$ 32,834,973</u>	<u>\$ 32,506,623</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>16.28%</u>	<u>(15.56)%</u>	<u>(10.93)%</u>	<u>(4.80)%</u>	<u>6.76%</u>	<u>(69.15)%</u>	<u>(75.90)%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 3,488,068</u>	<u>\$ 3,199,165</u>	<u>\$ 3,802,997</u>	<u>\$ 3,425,985</u>	<u>\$ 4,006,724</u>	<u>\$ 4,562,354</u>	<u>\$ 5,755,971</u>
Contributions in relation to the contractually required contribution	<u>(3,488,068)</u>	<u>(3,199,165)</u>	<u>(3,802,997)</u>	<u>(3,425,985)</u>	<u>(4,006,724)</u>	<u>(4,562,354)</u>	<u>(5,755,971)</u>
Contribution excess	<u>\$ -</u>						
School District's covered payroll	<u>\$ 38,074,877</u>	<u>\$ 36,107,957</u>	<u>\$ 35,809,765</u>	<u>\$ 34,959,034</u>	<u>\$ 34,187,065</u>	<u>\$ 34,406,892</u>	<u>\$ 32,834,973</u>
Contributions as a percentage of covered payroll	<u>9.16%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Glen Cove City School District, New York

Required Supplementary Information - Schedule of the
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.0210178%</u>	<u>0.0221311%</u>	<u>0.0213287%</u>	<u>0.0212100%</u>	<u>0.0221864%</u>	<u>0.0230197%</u>	<u>0.0242949%</u>
School District's proportionate share of the net pension liability	<u>\$ 20,928</u>	<u>\$ 5,860,439</u>	<u>\$ 1,511,207</u>	<u>\$ 684,543</u>	<u>\$ 2,084,687</u>	<u>\$ 3,694,725</u>	<u>\$ 820,741</u>
School District's covered payroll	<u>\$ 6,568,484</u>	<u>\$ 7,073,232</u>	<u>\$ 6,738,774</u>	<u>\$ 6,382,384</u>	<u>\$ 6,181,669</u>	<u>\$ 6,155,611</u>	<u>\$ 6,221,449</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.32%</u>	<u>82.85%</u>	<u>22.43%</u>	<u>10.73%</u>	<u>33.72%</u>	<u>60.02%</u>	<u>13.19%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 1,009,724</u>	<u>\$ 959,081</u>	<u>\$ 922,715</u>	<u>\$ 963,650</u>	<u>\$ 929,770</u>	<u>\$ 1,031,048</u>	<u>\$ 1,343,082</u>
Contributions in relation to the contractually required contribution	<u>(1,009,724)</u>	<u>(959,081)</u>	<u>(922,715)</u>	<u>(963,650)</u>	<u>(929,770)</u>	<u>(1,031,048)</u>	<u>(1,343,082)</u>
Contribution excess	<u>\$ -</u>						
School District's covered payroll	<u>\$ 7,031,779</u>	<u>\$ 7,061,306</u>	<u>\$ 6,810,526</u>	<u>\$ 6,473,741</u>	<u>\$ 6,237,893</u>	<u>\$ 6,107,293</u>	<u>\$ 6,179,303</u>
Contributions as a percentage of covered payroll	<u>14.36%</u>	<u>13.58%</u>	<u>13.55%</u>	<u>14.89%</u>	<u>14.91%</u>	<u>16.88%</u>	<u>21.74%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement.

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net pension due to investment losses.

(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Glen Cove City School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	\$ 34,741,924	\$ 32,208,436
Receivables		
Taxes	2,412,438	3,286,638
Accounts	5,206	9,449
State and Federal aid	943,484	1,238,799
Due from other governments	1,007,859	297,955
Due from other funds	1,428,768	1,064,644
	<u>5,797,755</u>	<u>5,897,485</u>
Total Assets	<u>\$ 40,539,679</u>	<u>\$ 38,105,921</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,156,013	\$ 1,723,750
Accrued liabilities	472,503	1,829,812
Due to other governments	759,617	723,353
Due to retirement systems	4,080,091	3,698,559
Employee payroll deductions	42,841	6,477
Unearned revenues	1,282,020	1,189,443
Total Liabilities	7,793,085	9,171,394
Deferred inflows of resources		
Deferred tax revenues	1,714,612	1,618,386
Total Liabilities and Deferred Inflows of Resources	<u>9,507,697</u>	<u>10,789,780</u>
Fund balance		
Restricted	26,450,150	22,950,124
Assigned	751,962	667,049
Unassigned	3,829,870	3,698,968
Total Fund Balance	<u>31,031,982</u>	<u>27,316,141</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 40,539,679</u>	<u>\$ 38,105,921</u>

See independent auditors' report.

Glen Cove City School District, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended June 30,

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 66,586,447	\$ 66,586,447	\$ 66,482,816	\$	\$ (103,631)
Other tax items	8,592,235	8,592,235	9,715,139		1,122,904
Non-property taxes	1,375,000	1,375,000	1,411,662		36,662
Charges for services	208,500	208,500	180,463		(28,037)
Use of money and property	270,000	270,000	46,431		(223,569)
Sale of property and compensation for loss	-	-	53,389		53,389
State aid	12,859,526	12,859,526	13,292,999		433,473
Federal aid	754,967	754,967	491,669		(263,298)
Miscellaneous	60,000	60,000	541,380		481,380
Total Revenues	90,706,675	90,706,675	92,215,948		1,509,273
EXPENDITURES					
Current					
General support					
Board of education	95,706	102,712	87,467	-	15,245
Central administration	343,095	349,094	346,650	-	2,444
Finance	821,662	843,544	777,891	57,000	8,653
Staff	659,079	693,764	503,967	11,964	177,833
Central services	7,054,163	8,781,164	6,964,844	616,692	1,199,628
Special items	2,242,081	2,262,422	1,991,975	1,500	268,947
Total General Support	11,215,786	13,032,700	10,672,794	687,156	1,672,750
Instruction					
Instruction, administration and improvement	4,064,150	4,345,105	4,236,882	-	108,223
Teaching - Regular school Programs for students	26,903,546	26,485,664	25,467,509	7,491	1,010,664
with disabilities	15,612,269	15,216,728	15,120,657	-	96,071
Occupational education	575,000	748,459	747,242	-	1,217
Teaching - Special schools	349,250	338,284	217,501	-	120,783
Instructional media	2,485,098	2,605,665	2,486,198	57,315	62,152
Pupil services	4,024,020	4,028,548	3,577,526	-	451,022
Total Instruction	54,013,333	53,768,453	51,853,515	64,806	1,850,132
Pupil transportation	6,078,850	5,551,275	4,807,485	-	743,790
Community services	20,150	14,545	-	-	14,545
Employee benefits	20,645,075	20,645,075	18,695,694	-	1,949,381
Debt service					
Principal	852,910	852,910	852,908	-	2
Interest	77,620	77,620	77,620	-	-
Total Expenditures	92,903,724	93,942,578	86,960,016	751,962	6,230,600
Excess (Deficiency) of Revenues Over Expenditures	(2,197,049)	(3,235,903)	5,255,932	(751,962)	7,739,873
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	16,055	-	16,055
Transfers out	(860,000)	(1,556,146)	(1,556,146)	-	-
Total Other Financing Uses	(860,000)	(1,556,146)	(1,540,091)	-	16,055
Net Change in Fund Balance	(3,057,049)	(4,792,049)	3,715,841	\$ (751,962)	\$ 7,755,928
FUND BALANCE					
Beginning of Year	3,057,049	4,792,049	27,316,141		
End of Year	\$ -	\$ -	\$ 31,031,982		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 65,052,408	\$ 65,052,408	\$ 64,228,405	\$	\$ (824,003)
8,664,168	8,664,168	8,790,258		126,090
1,375,000	1,375,000	1,310,830		(64,170)
209,000	209,000	80,747		(128,253)
165,000	165,000	604,917		439,917
-	-	74,099		74,099
14,155,907	14,165,907	14,238,089		72,182
66,500	66,500	180,190		113,690
65,000	73,000	410,640		337,640
<u>89,752,983</u>	<u>89,770,983</u>	<u>89,918,175</u>		<u>147,192</u>
89,751	120,683	112,068	-	8,615
336,430	343,201	341,420	-	1,781
904,636	958,534	873,083	38,000	47,451
704,445	648,845	388,067	815	259,963
5,915,312	6,906,638	6,234,268	399,850	272,520
2,173,693	2,180,533	1,847,264	1,300	331,969
<u>10,124,267</u>	<u>11,158,434</u>	<u>9,796,170</u>	<u>439,965</u>	<u>922,299</u>
4,376,501	4,316,114	4,249,912	-	66,202
26,880,434	26,571,412	25,865,138	29,361	676,913
14,847,783	15,379,609	14,755,943	-	623,666
600,000	600,000	581,977	-	18,023
346,000	355,136	273,723	-	81,413
2,219,452	2,338,699	2,030,480	197,723	110,496
4,139,683	4,040,029	3,628,532	-	411,497
<u>53,409,853</u>	<u>53,600,999</u>	<u>51,385,705</u>	<u>227,084</u>	<u>1,988,210</u>
5,987,730	5,290,548	4,773,141	-	517,407
20,150	20,150	11,204	-	8,946
20,595,588	19,432,210	18,233,647	-	1,198,563
813,535	813,535	813,535	-	-
98,743	98,743	98,743	-	-
<u>91,049,866</u>	<u>90,414,619</u>	<u>85,112,145</u>	<u>667,049</u>	<u>4,635,425</u>
<u>(1,296,883)</u>	<u>(643,636)</u>	<u>4,806,030</u>	<u>(667,049)</u>	<u>4,782,617</u>
-	-	251,365	-	251,365
<u>(750,000)</u>	<u>(1,403,247)</u>	<u>(1,403,247)</u>	<u>-</u>	<u>-</u>
<u>(750,000)</u>	<u>(1,403,247)</u>	<u>(1,151,882)</u>	<u>-</u>	<u>251,365</u>
<u>(2,046,883)</u>	<u>(2,046,883)</u>	<u>3,654,148</u>	<u>\$ (667,049)</u>	<u>\$ 5,033,982</u>
<u>2,046,883</u>	<u>2,046,883</u>	<u>23,661,993</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,316,141</u>		

Glen Cove City School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 66,586,447	\$ 66,586,447	\$ 66,482,816	\$ (103,631)
OTHER TAX ITEMS				
School tax relief reimbursement	4,308,238	4,308,238	4,308,238	-
Payments in lieu of taxes	4,083,997	4,083,997	5,053,722	969,725
Interest and penalties on real property taxes	200,000	200,000	353,179	153,179
	<u>8,592,235</u>	<u>8,592,235</u>	<u>9,715,139</u>	<u>1,122,904</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,411,662</u>	<u>36,662</u>
CHARGES FOR SERVICES				
Day school tuition	145,000	145,000	154,597	9,597
Adult education fees	11,500	11,500	-	(11,500)
Other student fees and charges	52,000	52,000	25,866	(26,134)
	<u>208,500</u>	<u>208,500</u>	<u>180,463</u>	<u>(28,037)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	250,000	250,000	46,431	(203,569)
Rental of real property	20,000	20,000	-	(20,000)
	<u>270,000</u>	<u>270,000</u>	<u>46,431</u>	<u>(223,569)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	53,389	53,389

STATE AID

Basic formula	11,534,307	11,534,307	9,646,849	(1,887,458)
Lottery aid	-	-	2,203,496	2,203,496
BOCES aid	984,868	984,868	996,484	11,616
Textbook aid	225,661	225,661	221,933	(3,728)
Computer software aid	89,571	89,571	92,799	3,228
Disabled students tuition/transfer aid	-	-	56,443	56,443
Library aid	25,119	25,119	24,601	(518)
Other	-	-	50,394	50,394

	<u>12,859,526</u>	<u>12,859,526</u>	<u>13,292,999</u>	<u>433,473</u>
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FEDERAL AID

Elementary and Secondary School Emergency Relief Fund Relief Fund (CARES)	504,767	504,767	138,893	(365,874)
Governor's Emergency Education Relief Fund	117,700	117,700	23,540	(94,160)
Impact aid	7,500	7,500	10,015	2,515
Medical assistance	125,000	125,000	319,221	194,221

	<u>754,967</u>	<u>754,967</u>	<u>491,669</u>	<u>(263,298)</u>
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MISCELLANEOUS

Refund of prior year's expenditures	-	-	157,544	157,544
Refund for BOCES aided services	-	-	272,446	272,446
Gifts and donations	-	-	14,950	14,950
E-rate recovery	60,000	60,000	54,469	(5,531)
Other	-	-	41,971	41,971

	<u>60,000</u>	<u>60,000</u>	<u>541,380</u>	<u>481,380</u>
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TOTAL REVENUES

	90,706,675	90,706,675	92,215,948	1,509,273
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OTHER FINANCING SOURCES

Transfers in Capital Projects Fund	-	-	16,055	16,055
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 90,706,675</u>	<u>\$ 90,706,675</u>	<u>\$ 92,232,003</u>	<u>\$ 1,525,328</u>
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See independent auditors' report.

Glen Cove City School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
BOARD OF EDUCATION					
Board of education	\$ 52,106	\$ 53,938	\$ 49,358	\$ -	\$ 4,580
District meeting	43,600	48,774	38,109	-	10,665
Total Board of Education	95,706	102,712	87,467	-	15,245
CENTRAL ADMINISTRATION					
Chief school administrator	343,095	349,094	346,650	-	2,444
FINANCE					
Business administration	534,662	556,544	554,056	-	2,488
Auditing	162,500	161,840	98,675	57,000	6,165
Tax collection service	50,000	50,000	50,000	-	-
Treasurer	74,500	75,160	75,160	-	-
Total Finance	821,662	843,544	777,891	57,000	8,653
STAFF					
Legal	259,416	255,416	155,788	11,964	87,664
Personnel	188,544	253,622	240,890	-	12,732
Records management	155,619	113,210	36,907	-	76,303
Public information and services	55,500	71,516	70,382	-	1,134
Total Staff	659,079	693,764	503,967	11,964	177,833

CENTRAL SERVICES

Operation and maintenance of plant	6,839,263	8,566,264	6,774,861	616,692	1,174,711
Central printing and mailing	214,900	214,900	189,983	-	24,917
Total Central Services	7,054,163	8,781,164	6,964,844	616,692	1,199,628

SPECIAL ITEMS

Unallocated insurance	398,300	410,446	408,716	1,500	230
School association dues	37,500	45,695	42,700	-	2,995
Refunds of real property taxes	1,340,000	1,340,000	1,074,278	-	265,722
Administrative charge - BOCES	466,281	466,281	466,281	-	-
Total Special Items	2,242,081	2,262,422	1,991,975	1,500	268,947
Total General Support	11,215,786	13,032,700	10,672,794	687,156	1,672,750

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	1,986,066	2,070,591	1,971,710	-	98,881
Supervision - Regular school	2,078,084	2,274,514	2,265,172	-	9,342
Total Instruction, Administration and Improvement	4,064,150	4,345,105	4,236,882	-	108,223

TEACHING - REGULAR SCHOOL

	26,903,546	26,485,664	25,467,509	7,491	1,010,664
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PROGRAMS FOR STUDENTS WITH DISABILITIES

	15,612,269	15,216,728	15,120,657	-	96,071
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OCCUPATIONAL EDUCATION

	575,000	748,459	747,242	-	1,217
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TEACHING - SPECIAL SCHOOLS

	349,250	338,284	217,501	-	120,783
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(Continued)

Glen Cove City School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 467,891	\$ 442,441	\$ 412,755	\$ -	\$ 29,686
Computer assisted instruction	2,017,207	2,163,224	2,073,443	57,315	32,466
Total Instructional Media	2,485,098	2,605,665	2,486,198	57,315	62,152
PUPIL SERVICES					
Attendance - Regular school	84,607	84,607	84,127	-	480
Guidance - Regular school	1,022,217	1,022,217	985,928	-	36,289
Health services - Regular school	873,487	873,817	745,548	-	128,269
Psychological services - Regular school	794,562	803,317	787,354	-	15,963
Social work services - Regular school	218,827	283,304	258,853	-	24,451
Co-curricular activities - Regular school	174,400	118,456	54,947	-	63,509
Interscholastic athletics - Regular school	855,920	842,830	660,769	-	182,061
Total Pupil Services	4,024,020	4,028,548	3,577,526	-	451,022
Total Instruction	54,013,333	53,768,453	51,853,515	64,806	1,850,132
PUPIL TRANSPORTATION					
District transportation services	69,400	69,400	41,338	-	28,062
Contract and public carrier transportation	6,009,450	5,481,875	4,766,147	-	715,728
Total Pupil Transportation	6,078,850	5,551,275	4,807,485	-	743,790
COMMUNITY SERVICES					
Summer recreation	3,650	3,650	-	-	3,650
Adult continuing education	16,500	10,895	-	-	10,895
Total Community Services	20,150	14,545	-	-	14,545

EMPLOYEE BENEFITS

State retirement	1,196,095	1,196,095	1,045,754	-	150,341
Teachers' retirement	3,669,070	3,669,070	3,489,037	-	180,033
Social security	3,830,010	3,830,010	3,210,676	-	619,334
Life insurance	5,500	5,500	3,756	-	1,744
Unemployment benefits	10,000	10,000	-	-	10,000
Hospital, medical and dental insurance	11,600,400	11,600,400	10,711,607	-	888,793
Workers' compensation benefits	325,000	325,000	229,580	-	95,420
Administrative fees	4,000	4,000	1,566	-	2,434
Disability insurance	5,000	5,000	3,718	-	1,282
	<u>20,645,075</u>	<u>20,645,075</u>	<u>18,695,694</u>	<u>-</u>	<u>1,949,381</u>
Total Employee Benefits					

DEBT SERVICE

Principal					
Serial bonds	250,000	250,000	250,000	-	-
Installment purchase debt	602,910	602,910	602,908	-	2
	<u>852,910</u>	<u>852,910</u>	<u>852,908</u>	<u>-</u>	<u>2</u>
Interest					
Serial bonds	47,813	47,813	47,813	-	-
Installment purchase debt	29,807	29,807	29,807	-	-
	<u>77,620</u>	<u>77,620</u>	<u>77,620</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>930,530</u>	<u>930,530</u>	<u>930,528</u>	<u>-</u>	<u>2</u>
TOTAL EXPENDITURES	<u>92,903,724</u>	<u>93,942,578</u>	<u>86,960,016</u>	<u>751,962</u>	<u>6,230,600</u>

OTHER FINANCING USES

Transfers out					
School Lunch Fund	10,000	519,983	519,983	-	-
Special Aid Fund	250,000	436,163	436,163	-	-
Capital Projects Fund	600,000	600,000	600,000	-	-
TOTAL OTHER FINANCING USES	<u>860,000</u>	<u>1,556,146</u>	<u>1,556,146</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 93,763,724</u>	<u>\$ 95,498,724</u>	<u>\$ 88,516,162</u>	<u>\$ 751,962</u>	<u>\$ 6,230,600</u>

See independent auditors' report.

Glen Cove City School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 278	\$ 74
State and Federal aid receivable	<u>1,726,895</u>	<u>1,529,375</u>
Total Assets	<u><u>\$ 1,727,173</u></u>	<u><u>\$ 1,529,449</u></u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities		
Accounts payable	\$ 77,326	\$ 71,543
Due to other funds	<u>1,470,817</u>	<u>1,457,906</u>
Total Liabilities	1,548,143	1,529,449
Deferred inflows of resources		
Unavailable revenues - State aid	<u>179,030</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 1,727,173</u></u>	<u><u>\$ 1,529,449</u></u>

See independent auditors' report.

Glen Cove City School District, New YorkSpecial Aid Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 609,247	\$ 891,298
Federal aid	<u>1,988,501</u>	<u>2,257,128</u>
Total Revenues	<u>2,597,748</u>	<u>3,148,426</u>
EXPENDITURES		
Current		
Instruction	3,033,532	3,387,666
Pupil transportation	<u>379</u>	<u>225,276</u>
Total Expenditures	<u>3,033,911</u>	<u>3,612,942</u>
Deficiency of Revenues Over Expenditures	(436,163)	(464,516)
OTHER FINANCING SOURCES		
Transfers in	<u>436,163</u>	<u>464,516</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Glen Cove City School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 70	\$ 36
Receivables		
Due from other funds	294,449	416,751
State and federal aid	500,000	-
Due from other governments	<u>50,000</u>	<u>100,000</u>
	<u>844,449</u>	<u>516,751</u>
Total Assets	<u>\$ 844,519</u>	<u>\$ 516,787</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 80,641	\$ 6,302
Deferred inflows of resources		
Unavailable revenues - Miscellaneous	<u>550,000</u>	<u>50,000</u>
Total Liabilities and Deferred Inflows of Resources	630,641	56,302
Fund balance		
Restricted	<u>213,878</u>	<u>460,485</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 844,519</u>	<u>\$ 516,787</u>

See independent auditors' report.

Glen Cove City School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>830,552</u>	<u>(128,163)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(830,552)</u>	<u>128,163</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	600,000	600,000
Transfers out	<u>(16,055)</u>	<u>(251,365)</u>
Total Other Financing Sources	<u>583,945</u>	<u>348,635</u>
Net Change in Fund Balance	(246,607)	476,798
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>460,485</u>	<u>(16,313)</u>
End of Year	<u><u>\$ 213,878</u></u>	<u><u>\$ 460,485</u></u>

See independent auditors' report.

Glen Cove City School District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2021

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Science Lab Project	\$ 250,000	\$ 9,689	\$ -	\$ 9,689
Connolly Playground	75,959	75,959	-	75,959
Landing Roof	160,000	12,466	147,534	160,000
Deasy PA System	140,000	-	140,000	140,000
High School and Middle School Rigging	250,000	-	180,266	180,266
District-Wide Security	232,640	-	137,441	137,441
Middle School-1910-Boilers	250,000	-	214,225	214,225
Middle School Auditorium-Electrical & Lighting	282,000	-	12,690	12,690
High School Boiler Room Expansion Tanks	126,000	-	5,670	5,670
Middle School 500-600 Wing ADA Toilets	122,000	-	8,781	8,781
Connolly Nurse ADA Toilets	70,000	-	-	-
Totals	<u>\$ 1,958,599</u>	<u>\$ 98,114</u>	<u>\$ 846,607</u>	<u>\$ 944,721</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance (Deficit) at June 30, 2021
	Transfers	State and Federal Aid	Miscellaneous	Totals	
\$ 240,311	\$ -	\$ -	\$ -	\$ -	\$ (9,689)
-	-	-	25,959	25,959	(50,000)
-	160,000	-	-	160,000	-
-	140,000	-	-	140,000	-
69,734	-	-	-	-	(180,266)
95,199	232,640	-	-	232,640	95,199
-	-	-	-	-	(214,225)
-	282,000	-	-	282,000	269,310
-	126,000	-	-	126,000	120,330
-	122,000	-	-	122,000	113,219
-	70,000	-	-	70,000	70,000
<u>\$ 405,244</u>	<u>\$ 1,132,640</u>	<u>\$ -</u>	<u>\$ 25,959</u>	<u>\$ 1,158,599</u>	<u>\$ 213,878</u>

Glen Cove City School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2021
 (With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2021	2020
ASSETS				
Cash and equivalents	\$ 2,015	\$ 171,943	\$ 173,958	\$ 201,260
Receivables				
Accounts	579	-	579	-
State and Federal aid	252,750	-	252,750	26,794
	<u>253,329</u>	<u>-</u>	<u>253,329</u>	<u>26,794</u>
Inventories	4,933	-	4,933	32,283
	<u>4,933</u>	<u>-</u>	<u>4,933</u>	<u>32,283</u>
Total Assets	<u>\$ 260,277</u>	<u>\$ 171,943</u>	<u>\$ 432,220</u>	<u>\$ 260,337</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 2,321	\$ 22,000	\$ 24,321	\$ 35,145
Accrued liabilities	3	-	3	6,408
Due to other governments	41	-	41	41
Due to other funds	252,400	-	252,400	23,489
	<u>254,765</u>	<u>22,000</u>	<u>276,765</u>	<u>65,083</u>
Fund balances				
Nonspendable	4,933	-	4,933	32,283
Restricted	-	149,943	149,943	162,971
Assigned	579	-	579	-
	<u>5,512</u>	<u>149,943</u>	<u>155,455</u>	<u>195,254</u>
Total Fund Balances	<u>5,512</u>	<u>149,943</u>	<u>155,455</u>	<u>195,254</u>
Total Liabilities and Fund Balances	<u>\$ 260,277</u>	<u>\$ 171,943</u>	<u>\$ 432,220</u>	<u>\$ 260,337</u>

See independent auditors' report.

Glen Cove City School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2021	2020
REVENUES				
Use of money and property	\$ 32	\$ 247	\$ 279	\$ 1,684
State aid	24,716	-	24,716	32,867
Federal aid	686,812	-	686,812	767,150
Food sales	-	-	-	193,682
Miscellaneous	42,998	71,472	114,470	319,252
Total Revenues	754,558	71,719	826,277	1,314,635
EXPENDITURES				
Current				
Cost of food sales	1,301,312	-	1,301,312	1,418,212
Other	-	84,747	84,747	237,801
Total Expenditures	1,301,312	84,747	1,386,059	1,656,013
Deficiency of Revenues Over Expenditures	(546,754)	(13,028)	(559,782)	(341,378)
OTHER FINANCING SOURCES				
Transfers in	519,983	-	519,983	338,731
Net Change in Fund Balance	(26,771)	(13,028)	(39,799)	(2,647)
FUND BALANCES				
Beginning of Year, as reported	32,283	162,971	195,254	107,721
Cumulative Effect of Change in Accounting Principle	-	-	-	90,180
Beginning of Year, as restated	32,283	162,971	195,254	197,901
End of Year	\$ 5,512	\$ 149,943	\$ 155,455	\$ 195,254

See independent auditors' report.

Glen Cove City School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 2,015	\$ 4,682
Receivables		
Accounts	579	-
State and Federal aid	<u>252,750</u>	<u>26,794</u>
	<u>253,329</u>	<u>26,794</u>
Inventories	<u>4,933</u>	<u>32,283</u>
Total Assets	<u><u>\$ 260,277</u></u>	<u><u>\$ 63,759</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,321	\$ 1,538
Accrued liabilities	3	6,408
Due to other governments	41	41
Due to other funds	<u>252,400</u>	<u>23,489</u>
Total Liabilities	<u>254,765</u>	<u>31,476</u>
Fund balance		
Nonspendable	4,933	32,283
Assigned	<u>579</u>	<u>-</u>
Total Fund Balance	<u>5,512</u>	<u>32,283</u>
Total Liabilities and Fund Balance	<u><u>\$ 260,277</u></u>	<u><u>\$ 63,759</u></u>

See independent auditors' report.

Glen Cove City School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 32	\$ 351
State aid	24,716	32,867
Federal aid	686,812	767,150
Food sales	-	193,682
Miscellaneous	<u>42,998</u>	<u>79,322</u>
Total Revenues	754,558	1,073,372
EXPENDITURES		
Current		
Cost of food sales	<u>1,301,312</u>	<u>1,418,212</u>
Deficiency of Revenues Over Expenditures	(546,754)	(344,840)
OTHER FINANCING SOURCES		
Transfers in	<u>519,983</u>	<u>338,731</u>
Net Change in Fund Balance	(26,771)	(6,109)
FUND BALANCE		
Beginning of Year	<u>32,283</u>	<u>38,392</u>
End of Year	<u>\$ 5,512</u>	<u>\$ 32,283</u>

See independent auditors' report.

Glen Cove City School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 171,943</u>	<u>\$ 196,578</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 22,000	\$ 33,607
Fund balance		
Restricted	<u>149,943</u>	<u>162,971</u>
Total Liabilities and Fund Balance	<u>\$ 171,943</u>	<u>\$ 196,578</u>

See independent auditors' report.

Glen Cove City School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 247	\$ 1,333
Miscellaneous	<u>71,472</u>	<u>239,930</u>
Total Revenues	71,719	241,263
EXPENDITURES		
Current		
Other	<u>84,747</u>	<u>237,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,028)</u>	<u>3,462</u>
FUND BALANCE		
Beginning of Year, as reported	162,971	69,329
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>90,180</u>
Beginning of Year, as restated	<u>162,971</u>	<u>159,509</u>
End of Year	<u><u>\$ 149,943</u></u>	<u><u>\$ 162,971</u></u>

See independent auditors' report.

Glen Cove City School District, New York

General Fund Analysis of Change from Adopted Budget to Final Budget Year Ended June 30, 2021

Adopted Budget		\$ 93,096,675
Additions - Encumbrances		<u>667,049</u>
Original Budget		93,763,724
Budget Amendments		<u>1,735,000</u>
Final Budget		<u><u>\$ 95,498,724</u></u>

General Fund Section 1318 of Real Property Tax Law Limit Calculation Year Ended June 30, 2021

2021-22 Expenditure Budget		<u>\$ 95,746,755</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law Unrestricted fund balance		
Assigned	\$ 751,962	
Unassigned	<u>3,829,870</u>	
Total Unrestricted Fund Balance	4,581,832	
Less		
Encumbrances	<u>751,962</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 3,829,870</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.

Glen Cove City School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net		\$	12,242,129
Less			
Bonds payable	\$	1,250,000	
Installment purchase debt payable		<u>617,631</u>	<u>(1,867,631)</u>
Net Investment in Capital Assets		\$	<u><u>10,374,498</u></u>

See independent auditors' report.

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**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**

Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Glen Cove City School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 14, 2021



**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Board of Education of the
Glen Cove City School District, New York**

Report on Compliance for Each Major Federal Program

We have audited the Glen Cove City School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 14, 2021

Glen Cove City School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 10,932
Summer Food Service Program for Children	10.559	N/A	-	675,880
Total U.S. Department of Agriculture			-	686,812
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	10,015
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-21-0401	-	995,517
Special Education - Preschool Grants	84.173	0033-21-0401	-	25,513
Subtotal Special Education Cluster			-	1,021,030
Title I Grants to Local Educational Agencies	84.010	0021-21-1445	-	735,312
English Language Acquisition State Grants	84.365	0149-21-1445	-	22,251
English Language Acquisition State Grants	84.365	0293-21-1445	-	86,611
			-	108,862
Supporting Effective Instruction State Grants	84.367	0147-21-1445	-	85,362
Student Support and Academic Enrichment	84.424	0204-21-1445	-	32,735
Student Support and Academic Enrichment	84.424	0204-20-1445	-	5,200
			-	37,935
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-1445	-	23,540
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-1445	-	138,893
			-	162,433
Total U.S. Department of Education			-	2,160,949
Total Expenditures of Federal Awards			\$ -	\$ 2,847,761

N/A Information not available

The accompanying notes are an integral part of this schedule.

Glen Cove City School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Glen Cove City School District, New York ("School District") under programs of the federal government for the year ended June 30, 2021. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Glen Cove City School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster (IDEA):
Special Education – Grants to States
Special Education – Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$750,000
 X Yes ___ No

Glen Cove City School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Glen Cove City School District, New York

Summary Schedule of Prior Audit Findings
Year ended June 30, 2021

None