

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

CLARKSTOWN CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

I. INDEPENDENT AUDITOR’S REPORT, MANAGEMENT’S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS

	Independent Auditor’s Report	
<u>Exhibit</u>		<u>Page</u>
<u>Number</u>		
1	Management’s Discussion and Analysis (Required Supplementary Information) (MD&A)	3 - 18
2	Statement of Net Position	19
3	Statement of Activities	20
4	Balance Sheet – Governmental Funds	21
5	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	22
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
7	Reconciliation of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
8	Statement of Fiduciary Net Position – Fiduciary Fund	25
8	Statement of Changes in Fiduciary Net Position – Fiduciary Fund	26
9	Notes to Financial Statements	27 -62

II. REQUIRED SUPPLEMENTARY INFORMATION

SS1	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	63 - 64
SS2	Schedule of Changes in the District’s Total Other Post-Employment Benefits Liability and Related Ratios	65
SS3	Schedule of the District’s Proportionate Share of the Net Pension Liability	66
SS4	Schedule of the District’s Contributions	67

III. OTHER SUPPLEMENTARY INFORMATION

SS5	Schedule of Change from Adopted Budget to Final Budget – General Fund and Section 1318 of Real Property Tax Law Limit Calculation	68
SS6	Schedule of Project Expenditures - Capital Projects Fund	69 - 70
SS7	Net Investment in Capital Assets	71

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



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926–2014)

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Clarkstown Central School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749

WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606

PHONE: (631) 234-4444 • FAX: (631) 234-4234

www.rsabrams.com

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 3 through 18 and 63 through 67, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

R.S. Abrams & Co., LLP

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The following is a discussion and analysis of the Clarkstown Central School District's (the "District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund 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 District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- Through a combination of strategic budgeting and the proper utilization of the reserves, the District was able to maintain a tax levy increase for the 2021-2022 school year at a level that was within the allowable limit as per the New York State property tax cap formula.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year's budget, which can be retained by the general fund up to 4.00% of the ensuing year's budget. At the end of the current fiscal year, this amount for the general fund was \$8,825,132, or 4.00%, and is therefore within the statutory limit.
- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$233,549,486. Of this amount, \$3,699,993 was offset by program charges for services and \$6,691,914 was offset by operating grants and contributions. General revenues of \$208,132,713 amount to 95.24% of total revenues.
- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by \$676,885. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- In August and September 2021, the District was awarded funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of \$6,712,803 through the Elementary and Secondary School Emergency Relief Program (ESSER) and \$838,096 through the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as they are expended. As of the date of the financial statements, the District has received payments of \$1,342,560 and \$167,619 for ESSER and GEER, respectively.
- The District implemented Governmental Accounting Standards Board Statement No. 84 (GASB Statement No. 84), *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net deficit in the amount of \$486,467. See Note 19 to the financial statements for further information.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

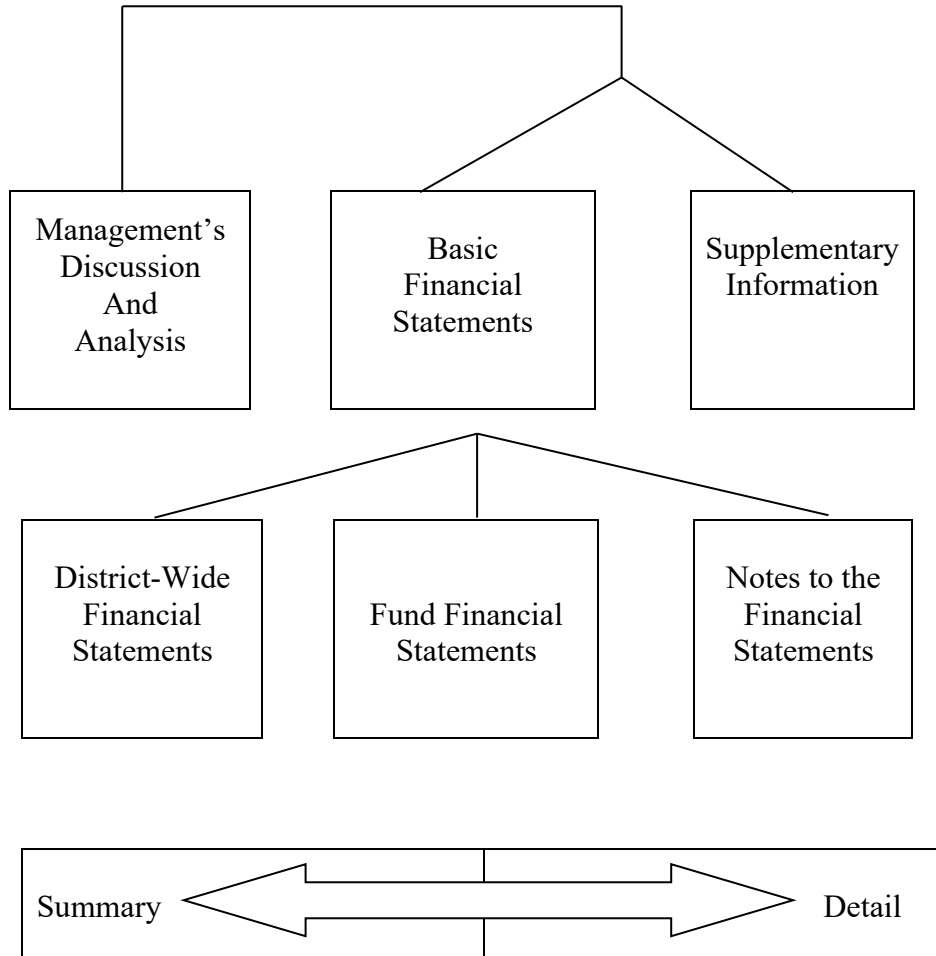
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a custodian for the benefit of others, such as real property taxes collected on behalf of other governments and disbursed to those governments.

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Organization of the District’s Annual Financial Report



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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as real property taxes collected on behalf of other governments and disbursed to those governments
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• 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 and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	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 and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A) District-Wide Financial Statements:

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

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

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

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

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

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

B) Fund Financial Statements:

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

The District has two kinds of funds:

- *Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund:* The District is the custodian or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. The fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Current assets and other assets, other liabilities, unrestricted net deficit, and total net position (deficit) for 2020 have been restated for the implementation of GASB Statement No. 84. This Statement eliminates the trust and agency fund and now records those activities in the general fund and miscellaneous special revenue fund. See Note 19 to the financial statements for further information.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current assets and other assets	\$ 70,398,953	\$ 73,895,178	\$ (3,496,225)
Other liabilities	52,761,204	56,743,896	(3,982,692)
Net Position			
Unrestricted (Deficit)	(193,599,817)	(194,086,284)	486,467
Total Net Position (Deficit)	(109,948,895)	(110,435,362)	486,467

The District's net deficit increased by \$15,024,866 in the fiscal year ended June 30, 2021 as detailed in the table that follows:

Condensed Statement of Net Position

	Fiscal Year 2021	Fiscal Year 2020	Change	Total Percentage Change
Current assets and other assets	\$58,962,764	\$70,398,953	(\$11,436,189)	-16.24%
Capital assets, net	100,262,377	100,067,138	195,239	0.20%
Net pension asset -proportionate share	-	14,502,047	(14,502,047)	-100.00%
Total Assets	159,225,141	184,968,138	(25,742,997)	-13.92%
Deferred outflows of resources	75,638,573	64,791,066	10,847,507	16.74%
Total assets and deferred outflows of resources	234,863,714	249,759,204	(14,895,490)	-5.96%
Other liabilities	15,937,099	52,761,204	(36,824,105)	-69.79%
Long-term liabilities	299,111,671	266,378,099	32,733,572	12.29%
Total Liabilities	315,048,770	319,139,303	(4,090,533)	-1.28%
Deferred inflows of resources	44,788,705	40,568,796	4,219,909	10.40%
Total liabilities and deferred inflows of resources	359,837,475	359,708,099	129,376	0.04%
Net Position				
Net investment in capital assets	55,625,685	49,440,121	6,185,564	12.51%
Restricted	33,595,169	34,210,801	(615,632)	-1.80%
Unrestricted (Deficit)	(214,194,615)	(193,599,817)	(20,594,798)	-10.64%
Total Net Position (Deficit)	(\$124,973,761)	(\$109,948,895)	(\$15,024,866)	-13.67%

Current assets and other assets decreased by \$11,436,189, primarily related to a decrease in cash and cash equivalents.

Capital assets (net of accumulated depreciation) increased \$195,239 due to the increase in capital asset additions, offset by current year depreciation expense and loss on disposals.

The net pension asset - proportionate share - teachers' retirement system resulted in a net pension liability of \$15,864,246 as a result of the actuarial valuation provided by the state.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The change in deferred outflows of resources represents amortization on the deferred charges on refundings, as discussed in Note 12, amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 13, and amortization of the total other post-employment benefits obligation as discussed in Note 15.

Other liabilities decreased by \$36,824,105, primarily due to the decreases in bond anticipation note payable and accounts payable, offset by increases in accrued liabilities and due to teachers' retirement system.

Long-term liabilities increased by \$32,733,572, primarily due to the increase in bonds payable.

The change in deferred inflows represent amortization of pension related items, as discussed in Note 13, and deferred inflows for other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and machinery and equipment, net of accumulated depreciation and related debt (including debt related items such as premiums). This number increased from the prior year by \$6,185,564, primarily due to capital additions and current year bond and energy performance principal payments, offset by current year depreciation expense and loss on disposals.

The restricted net position at June 30, 2021, relates to the District's reserves and restricted amounts for scholarships and donations in the miscellaneous special revenue fund. Restricted net position decreased by \$615,632. This was primarily the result of the District's use of the reserves.

The unrestricted net deficit at June 30, 2021 of \$214,194,615 relates to the balance of the District's net position. The unrestricted net deficit increased by \$20,594,798.

B) Changes in Net Position:

Charges for services and instruction expenses in 2020 were increased due to the implementation of GASB Statement No. 84. The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	\$ 5,688,164	\$ 5,007,835	\$ 680,329
Expenses			
Instruction	188,957,540	188,319,698	637,842

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2021 and 2020 are as follows:

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Change in Net Position from Operating Results

	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$3,699,993	\$5,688,164	(\$1,988,171)	-34.95%
Operating grants and contributions	6,691,914	5,389,537	1,302,377	24.16%
General Revenues				
Real property taxes and other tax items	170,171,038	167,737,823	2,433,215	1.45%
State sources	36,628,407	35,853,125	775,282	2.16%
Use of money and property	47,396	1,550,861	(1,503,465)	-96.94%
Other	1,285,872	930,824	355,048	38.14%
Total Revenues	<u>\$218,524,620</u>	<u>\$217,150,334</u>	<u>\$1,374,286</u>	0.63%
Expenses				
General support	\$28,825,820	\$27,856,581	\$969,239	3.48%
Instruction	188,487,053	188,957,540	(470,487)	-0.25%
Pupil transportation	11,845,525	8,749,979	3,095,546	35.38%
Community service	927,143	1,011,930	(84,787)	-8.38%
Debt service - interest	1,039,304	1,058,128	(18,824)	-1.78%
Food service program	2,424,641	2,596,518	(171,877)	-6.62%
Total Expenses	<u>\$233,549,486</u>	<u>\$230,230,676</u>	<u>\$3,318,810</u>	1.44%
Total Change in Net Position	<u>(\$15,024,866)</u>	<u>(\$13,080,342)</u>	<u>(\$1,944,524)</u>	14.87%

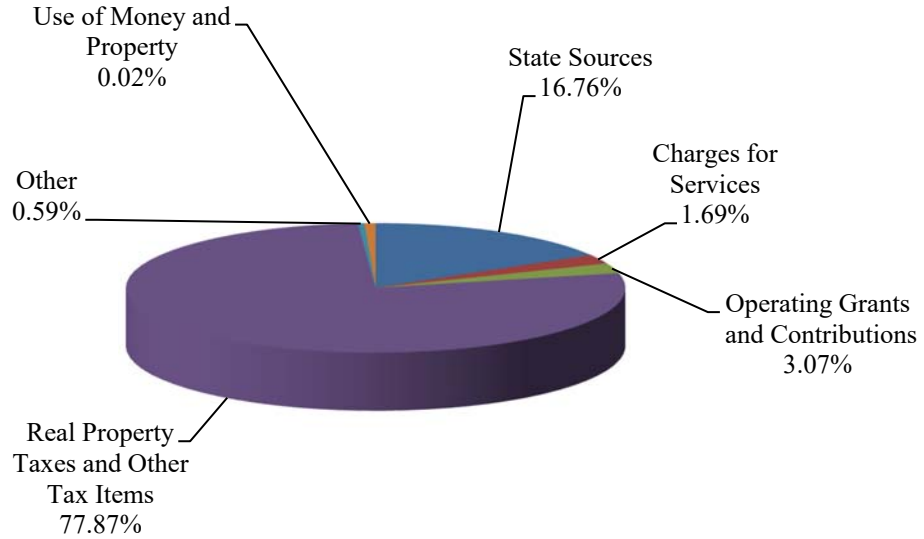
The District's fiscal year 2021 revenues totaled \$218,524,620. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 77.87% and 16.76%, respectively, of total revenue. The remainder came from charges for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$1,374,286, or 0.63%, primarily attributable to increases in operating grants and contributions, real property taxes and other tax items, state sources, and other, offset partially by decreases in charges for services and use of money and property.

The cost of all programs and services totaled \$233,549,486 for fiscal year 2021. These expenses are predominantly related to instruction, which accounts for 80.71% of District expenses. The District's general support activities accounted for 12.34% of total expenses. Total expenses increased by \$3,318,810, or 1.44%, primarily attributable to increases in general support and pupil transportation, offset by decreases in instruction, community service, debt service – interest, and food service program.

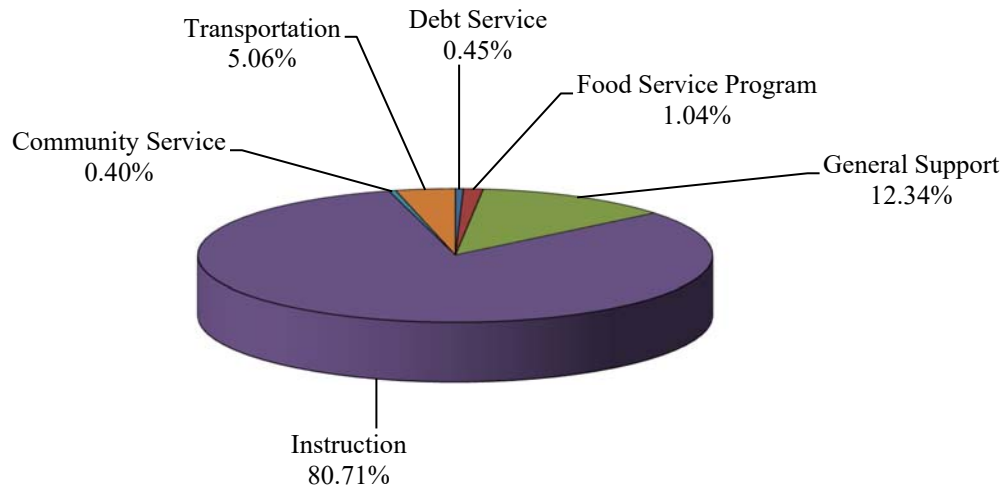
**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Revenues for Fiscal Year 2021



Expenses for Fiscal Year 2021



**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The 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 liabilities, certain deferred outflows or inflows, and capital assets purchased by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt, and the current payments on other long-term liabilities.

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of \$42,959,013, which is an increase of \$24,916,292 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund for extraclassroom activities, scholarships and donations, and other miscellaneous special revenue activities due to the implementation of GASB Statement No. 84. See Note 19 to the financial statements for further information.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A summary of the change in fund balance for all the funds is as follows:

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Nonspendable	\$6,296	\$ -	\$6,296	100.0%
Restricted for unemployment insurance	527,917	527,433	484	0.09%
Restricted for retirement contribution				
Employees' retirement system	3,607,532	3,604,222	3,310	0.09%
Teachers' retirement system	1,657,460	1,655,939	1,521	0.09%
Restricted for employee benefit				
accrued liability	1,769,390	1,767,766	1,624	0.09%
Restricted for capital	2,152,243	2,150,268	1,975	0.09%
Restricted for debt service	2,293,905	2,291,800	2,105	0.09%
Restricted for tax certiorari	13,393,587	10,149,763	3,243,824	31.96%
Assigned - general support	56,923	55,846	1,077	1.93%
Assigned - instruction	201,948	203,800	(1,852)	-0.91%
Assigned - pupil transportation	6,091	10,235	(4,144)	-40.49%
Assigned - community service	-	1,073	(1,073)	-100.00%
Assigned- employee benefits	95	6,933	(6,838)	-98.63%
Assigned-designated for COVID-19 reopening plan	-	2,857,000	(2,857,000)	-100.00%
Unassigned	8,825,132	8,539,556	285,576	3.34%
Total Fund Balance - General Fund	<u>\$34,498,519</u>	<u>\$33,821,634</u>	<u>\$676,885</u>	2.00%
School Lunch Fund				
Nonspendable	\$109,349	\$86,429	\$22,920	26.52%
Unassigned	-	(134,914)	134,914	-100.00%
Total Fund Balance - School Lunch Fund	<u>\$109,349</u>	<u>(\$48,485)</u>	<u>\$157,834</u>	-325.53%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$6,886	\$8,370	(\$1,484)	-17.73%
Assigned - unappropriated	352,391	486,467	(134,076)	-27.56%
Total Fund Balance -				
Miscellaneous Special Revenue Fund	<u>\$359,277</u>	<u>\$494,837</u>	<u>(\$135,560)</u>	-27.39%
Capital Projects Fund				
Restricted for capital	\$8,186,249	\$12,055,240	(\$3,868,991)	-32.09%
Unassigned	(194,381)	(28,280,505)	28,086,124	-99.31%
Total Fund Balance - Capital Projects Fund	<u>\$7,991,868</u>	<u>(\$16,225,265)</u>	<u>\$24,217,133</u>	-149.26%
 Total Fund Balance - All Funds	 <u>\$42,959,013</u>	 <u>\$18,042,721</u>	 <u>\$24,916,292</u>	 138.10%

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A) General Fund

The fund balance in the general fund increased by \$676,885 as a result of revenues and other financing sources of \$211,945,229 exceeding expenditures and other financing uses of \$211,268,344.

Revenues and other financing sources increased by \$2,738,773, or 1.31%, compared to the prior year, primarily due to the increase in real property taxes.

Expenditures and other uses decreased \$3,081,156, or 1.44%, compared to the prior year, primarily due to a decrease in other financing uses.

B) School Lunch Fund

The fund balance in the school lunch fund increased by \$157,834 due to the general fund subsidy of \$476,484, offset by the operating loss of \$318,650.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased by \$135,560 due to an excess of expenditures over revenues.

D) Capital Projects Fund:

The fund balance in the capital projects fund increased by \$24,217,133. This increase is due to other financing sources of \$30,989,971, offset by \$6,286,183 in capital outlay and other financing uses of \$486,655 transferred from the capital fund to the general fund for unspent appropriations amounts on completed capital projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2021 was \$212,814,204. This amount was increased by encumbrances carried forward from the prior year in the amount of \$277,887, budget revisions of \$2,038, and appropriated fund balance of \$1,876,161, bringing the final budget to \$214,970,290. The majority of the funding was provided by real property taxes and other tax items of \$169,994,987.

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual):

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Opening, unassigned fund balance	\$8,539,556
Revenues under budget	(871,013)
Expenditures and encumbrances under budget	3,436,889
Interest allocated to reserves	(20,341)
Change in nonspendable fund balance	(6,296)
Change in funds designated for COVID-19 reopening plan	2,857,000
Budget revisions	(1,876,161)
Funding of reserves	<u>(3,234,502)</u>
Closing, unassigned fund balance	<u>\$8,825,132</u>

The opening unassigned fund balance of \$8,539,556 is the June 30, 2020 unassigned fund balance.

The revenues under budget of \$871,013 were primarily in use of money and property and state aid. Refer to Supplemental Schedule #1 for more details.

The expenditures and encumbrances under budget of \$3,436,889 were across the budget, primarily due to general support, instruction, and employee benefits. Refer to Supplemental Schedule #1 for more details.

Interest of \$20,341 was also allocated to the reserves as follows: \$484 to the unemployment insurance reserve, \$3,310 to the employee retirement contribution reserve, \$1,521 to the teachers' retirement system reserve, \$1,624 to the employee benefit accrued liability reserve, \$1,975 to the capital reserve, \$2,105 to the debt service reserve, and \$9,322 to the tax certiorari reserve.

There were changes of \$6,296 to the nonspendable fund balance for prepaid items due to an increase in the balance of prepaid items.

The Board had assigned \$2,857,000 of unassigned fund balance in 2020 to be used for the specific purpose of complying with the District's mandated COVID-19 reopening plan to prepare the District's buildings for the return of students and staff, as these unanticipated expenses were not provided for in the 2020-2021 adopted budget. These funds were used during 2021 for Board approved costs related to the COVID-19 reopening plan.

The budget revisions in the amount of \$1,876,161 were primarily unanticipated expenditures (see Supplemental Schedule #5 for detail).

The District funded \$3,234,502 to the tax certiorari reserve.

The District will close the 2020-2021 fiscal year with \$8,825,132 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within this legal limit.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment and various building additions and renovations during the fiscal year 2021. A summary of the District's capital assets, net of accumulated depreciation, is as follows:

Capital Assets (Net of Accumulated Depreciation)

Category	Fiscal Year 2021	Fiscal Year 2020	Net Increase/ (Decrease)	Percentage Change
Land	\$2,276,325	\$2,276,325	\$ -	0.00%
Construction in Progress	11,276,484	8,282,282	2,994,202	36.15%
Buildings & Improvements	163,507,397	160,714,392	2,793,005	1.74%
Machinery & Equipment	14,714,036	15,158,927	(444,891)	-2.93%
Subtotal	191,774,242	186,431,926	5,342,316	2.87%
Less: Accumulated Depreciation	91,511,865	86,364,788	5,147,077	5.96%
Total Net Capital Assets	<u>\$100,262,377</u>	<u>\$100,067,138</u>	<u>\$195,239</u>	0.20%

The District's capital outlay for the year was \$6,286,183 from the capital projects fund and \$2,931,357 from the general fund. The District recorded depreciation expense and loss on disposals of \$9,022,301. See Note 8 to the financial statements for detail.

B) Long-Term Debt:

At June 30, 2021, the District had total bonds payable of \$39,510,000. During fiscal year 2021, the District increased existing debt by issuing \$26,645,000 of bonds, offset by \$5,510,000 of principal payments made. The District also had other long-term debt outstanding at June 30, 2021 of \$299,920 related to energy performance contract debt payable. During fiscal year 2021, the District reduced energy performance contract debt payable with principal payments of \$593,646. More detailed information about the District's long-term debt is presented in the Note 11 to the financial statements.

A summary of outstanding debt at June 30, 2021 and 2020 is as follows:

	2021	2020	(Decrease)
Bonds payable	\$39,510,000	\$18,375,000	\$ 21,135,000
Energy performance contract debt payable	299,920	893,566	(593,646)
Total	<u>39,809,920</u>	<u>19,268,566</u>	<u>20,541,354</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A)** The general fund budget for the 2021-22 school year in the amount of \$220,799,579 was approved by voters. This is an increase of \$7,985,375, or 3.75%, over the previous year's budget. The majority of the funding was real property taxes and other tax items budget of \$173,937,224.
- B)** Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services, and the property tax cap, which will continue to impact the District's ability to fund its current cost of services.
- C)** On August 23, 2021, the District issued tax anticipation notes (TAN) totaling \$12,500,000, maturing on November 5, 2021, for interim financing of the general fund operations. The TAN includes a premium of \$3,250 which will result in a net interest cost of \$3,000 to the District.
- D)** The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Clarkstown Central School District
Mr. John LaNave
Assistant Superintendent for Business and Chief Administrative Officer
62 Old Middletown Road
New City, NY 10956
(845)-639-6300

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Current assets

Cash and cash equivalents

Unrestricted

\$15,187,586

Restricted

33,595,169

Receivables

Accounts receivable

66,643

State and federal aid

6,790,214

Due from other governments

3,207,507

Prepaid items

6,296

Inventories

109,349

Capital assets

Capital assets not being depreciated

13,552,809

Capital assets being depreciated, net of accumulated depreciation

86,709,568

TOTAL ASSETS159,225,141**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charges on refundings

56,212

Pensions

69,789,731

Other post-employment benefits obligation

5,792,630

TOTAL DEFERRED OUTFLOWS OF RESOURCES75,638,573**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**234,863,714**LIABILITIES**

Payables

Accounts payable

1,736,075

Accrued liabilities

1,648,321

Accrued interest payable

1,142,034

Due to teachers' retirement system

10,095,725

Due to employees' retirement system

1,078,583

Unearned credits

Collections in advance

236,361

Long-term liabilities

Due and payable within one year

Bonds payable (inclusive of unamortized premiums)

6,839,444

Energy performance contract debt payable

299,920

Compensated absences payable

517,705

Due and payable after one year

Bonds payable (inclusive of unamortized premiums)

37,628,540

Compensated absences payable

2,833,057

Total other post-employment benefits obligation

235,063,962

Net pension liability - proportionate share - employees' retirement system

64,797

Net pension liability - proportionate share - teachers' retirement system

15,864,246

TOTAL LIABILITIES315,048,770**DEFERRED INFLOWS OF RESOURCES**

Pensions

28,610,258

Other post-employment benefits obligation

16,178,447

TOTAL DEFERRED INFLOWS OF RESOURCES44,788,705**NET POSITION**

Net investment in capital assets

55,625,685

Restricted

Unemployment

527,917

Retirement contribution

5,264,992

Employee benefit accrued liability

1,769,390

Capital

10,338,492

Debt service

2,293,905

Tax certiorari

13,393,587

Scholarships and donations

6,886

33,595,169

Unrestricted (deficit)

(214,194,615)**TOTAL NET POSITION (DEFICIT)**(\$124,973,761)

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS	Expenses			
General support	(\$28,825,820)			(\$28,825,820)
Instruction	(188,487,053)	\$3,451,543	\$4,823,663	(180,211,847)
Pupil transportation	(11,845,525)		11,282	(11,834,243)
Community service	(927,143)			(927,143)
Debt service - interest	(1,039,304)			(1,039,304)
Food service program	(2,424,641)	248,450	1,856,969	(319,222)
TOTAL FUNCTIONS AND PROGRAMS	(\$233,549,486)	\$3,699,993	\$6,691,914	(223,157,579)
GENERAL REVENUES				
Real property taxes				158,855,793
Other tax items - including STAR reimbursement				11,315,245
Use of money and property				47,396
Sale of property and compensation for loss				95,414
Miscellaneous				1,190,458
State sources				36,628,407
TOTAL GENERAL REVENUES				208,132,713
CHANGE IN NET POSITION				(15,024,866)
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)				(109,948,895)
TOTAL NET POSITION - END OF YEAR				(\$124,973,761)

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
ASSETS						
Cash and cash equivalents						
Unrestricted	\$13,211,309	\$34,591	\$952,783	\$988,903		\$15,187,586
Restricted	31,814,081			6,886	\$ 1,774,202	33,595,169
Receivables						
Accounts receivable	49,694	822	16,127			66,643
State and federal aid	2,020,554	3,274,055	543,201		952,404	6,790,214
Due from other governments	3,207,507					3,207,507
Due from other funds	2,994,076	105,200	476,484		6,949,792	10,525,552
Prepaid items	6,296					6,296
Inventories			109,349			109,349
TOTAL ASSETS	\$53,303,517	\$3,414,668	\$2,097,944	\$995,789	\$9,676,398	\$69,488,316
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Payables						
Accounts payable	\$1,001,441	\$316,213	\$333		\$418,088	\$1,736,075
Accrued liabilities	1,587,316	504	60,501			1,648,321
Due to other funds	4,696,242	3,076,358	1,802,402	\$636,512	314,038	10,525,552
Due to teachers' retirement system	10,095,725					10,095,725
Due to employees' retirement system	1,078,583					1,078,583
Unearned credits						
Collections in advance	89,409	21,593	125,359			236,361
TOTAL LIABILITIES	18,548,716	3,414,668	1,988,595	636,512	732,126	25,320,617
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	256,282				952,404	1,208,686
FUND BALANCES						
Nonspendable: Prepaid items	6,296					6,296
Nonspendable: Inventory			109,349			109,349
Restricted						
Unemployment	527,917					527,917
Retirement contribution						
Employees' retirement system	3,607,532					3,607,532
Teacher's retirement system	1,657,460					1,657,460
Employee benefit accrued liability	1,769,390					1,769,390
Capital	2,152,243				8,186,249	10,338,492
Debt service	2,293,905					2,293,905
Tax certiorari	13,393,587					13,393,587
Scholarships and donations				6,886		6,886
Assigned						
Unappropriated fund balance	265,057			352,391		617,448
Unassigned	8,825,132				(194,381)	8,630,751
TOTAL FUND BALANCES	34,498,519	-	109,349	359,277	7,991,868	42,959,013
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$53,303,517	\$3,414,668	\$2,097,944	\$995,789	\$9,676,398	\$69,488,316

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Governmental Fund Balances \$42,959,013

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

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

Original cost of capital assets	\$191,774,242	
Accumulated depreciation	<u>(91,511,865)</u>	100,262,377

Governmental funds report the effect of discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Deferred charges on refundings	56,212
--------------------------------	--------

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

Deferred inflows related to pensions	(28,610,258)
Deferred inflows related to other post-employment benefits	(16,178,447)

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

Deferred outflows related to pensions	69,789,731
Deferred outflows related to other post-employment benefits	5,792,630

Deferred inflows of resources - unavailable revenues - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual.

1,208,686

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

(1,142,034)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	(\$44,467,984)	
Energy performance contract debt payable	(299,920)	
Compensated absences payable	(3,350,762)	
Total other post-employment benefits obligation payable	(235,063,962)	
Net pension liability - proportionate share - teachers' retirement system	(15,864,246)	
Net pension liability - proportionate share - employees' retirement system	<u>(64,797)</u>	<u>(299,111,671)</u>

Total Net Position (Deficit)	<u>\$ (124,973,761)</u>
------------------------------	-------------------------

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$158,855,793					\$158,855,793
Other tax items - including STAR reimbursement	11,315,245					11,315,245
Charges for services	3,020,819			430,724		3,451,543
Use of money and property	46,809		\$572	15		47,396
Sale of property and compensation for loss	95,414					95,414
Miscellaneous	1,190,458			1,967		1,192,425
State sources	35,835,943	\$1,361,877	60,248			37,258,068
Federal sources	648,990	2,822,111	1,695,246			5,166,347
Surplus food			101,475			101,475
Sales			248,450			248,450
TOTAL REVENUES	211,009,471	4,183,988	2,105,991	432,706	-	217,732,156
EXPENDITURES						
General support	22,904,109					22,904,109
Instruction	125,886,890	4,665,418		568,266		131,120,574
Pupil transportation	8,053,119	11,282				8,064,401
Community service	649,677					649,677
Employee benefits	45,593,049					45,593,049
Debt service - principal	6,103,646					6,103,646
Debt service - interest	1,108,658					1,108,658
Cost of sales			2,424,641			2,424,641
Other expenditures						-
Capital outlay					\$6,286,183	6,286,183
TOTAL EXPENDITURES	210,299,148	4,676,700	2,424,641	568,266	6,286,183	224,254,938
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	710,323	(492,712)	(318,650)	(135,560)	(6,286,183)	(6,522,782)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	486,655	492,712	476,484			1,455,851
Operating transfers (out)	(969,196)				(486,655)	(1,455,851)
Bond premium	449,103				4,344,971	4,794,074
Proceeds from serial bonds					26,645,000	26,645,000
TOTAL OTHER FINANCING SOURCES (USES)	(33,438)	492,712	476,484	-	30,503,316	31,439,074
NET CHANGE IN FUND BALANCES	676,885	-	157,834	(135,560)	24,217,133	24,916,292
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)	33,821,634	-	(48,485)	494,837	(16,225,265)	18,042,721
FUND BALANCES - END OF YEAR	\$34,498,519	\$ -	\$109,349	\$359,277	\$7,991,868	\$42,959,013

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

Net Change in Fund Balances \$24,916,292

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

Long-Term Revenue and Expense Differences

Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the fiscal year ended June 30, 2021 is 792,464

In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2021 changed by 38,456

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

Teachers' retirement system	(\$11,797,140)	
Employees' retirement system	1,459,640	
Other post-employment benefits obligation	<u>(5,363,743)</u>	(15,701,243)

Capital Related Items

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

Capital outlays	\$9,217,540	
Depreciation expense and loss on disposal	<u>(9,022,301)</u>	195,239

Long-Term Debt Transactions

Proceeds and premium from the issuance of bonds are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the statement of Activities (31,439,074)

Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 5,510,000

Repayment of energy performance contract debt payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 593,646

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2020 to June 30, 2021 changed by (320,840)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium and deferred charges is: 390,194

Change in Net Position (\$15,024,866)

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2021

	<u>Custodial</u>
ASSETS	
Cash	\$ -
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES	
Other liabilities	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	-
TOTAL NET POSITION	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</u>

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Custodial</u>
ADDITIONS	
New City Library - real property taxes received	\$ 5,498,867
West Nyack Library - real property taxes received	<u>1,285,372</u>
TOTAL ADDITIONS	<u>6,784,239</u>
DEDUCTIONS	
New City Library - real property taxes disbursed	5,498,867
West Nyack Library - real property taxes disbursed	<u>1,285,372</u>
TOTAL DEDUCTIONS	<u>6,784,239</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the “Board”) consisting of 7 members. The Board serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for and controls all activities related to public school education within the District. The Superintendent is the chief executive officer.

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

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

B) Joint venture:

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

C) Basis of presentation:

District-Wide Financial Statements:

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

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

Fund financial statements:

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

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

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

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

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial funds, which is used to account for real property taxes collected on behalf of and disbursed to other governments.

D) Measurement focus and basis of accounting:

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

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, net pension liabilities, and other post-employment benefits obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board, and become a lien on July 1st. Taxes are collected by the Town of Clarkstown and are remitted to the District September through October 31, after which collection responsibility is transferred to Rockland County (“the County”) as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds.

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows, liabilities, and deferred inflows, disclosure of contingent items at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post-employment benefits, potential contingent liabilities, net pension liabilities, and useful lives of capital assets.

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits.

J) Receivables:

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Prepaid items and inventories:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and fund financial statements. These items are reported as assets on the Statement of Net Position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. Prepaid items consisted of prepaid amounts for postage in the general fund.

Non-spendable fund balance for these non-liquid assets (prepaid items) has been recognized in the general fund to signify that a portion of fund balance is not available for other subsequent expenditures.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

L) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$10,000	Straight-line	20-50 years
Machinery and equipment	\$10,000	Straight-line	5-15 years

M) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of summer program deposits for the subsequent year received in the general fund, federal grant monies received for the subsequent year in the federal fund, and prepaid balances for meals in the school lunch fund.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. These amounts are related to deferred charges on refundings, pensions, and other post-employment benefits obligation, reported in the District-Wide Statement of Net Position, which are detailed further in Note 12, Note 13, and Note 15, respectively.

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues.

O) Vested employee benefits:

Compensated absences:

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

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

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

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

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

P) Other benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of post-employment health insurance coverage recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Q) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue dated. Refer to Note 10 for more information on short term debt.

R) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences, net pension liabilities, and other post-employment benefit obligations that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds, energy performance contract debt, and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due within one year or due after one year in the Statement of Net Position.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

S) Equity classifications:

District-Wide Financial Statements:

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

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) plus unamortized deferred charges on refunding, reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets, as well as the unamortized premiums on bonds.

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

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

Fund Financial Statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid items recorded in the general fund of \$6,296 and inventory recorded in the school lunch fund of \$109,349.

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

The District has established the following as restricted:

Unemployment Insurance Reserve

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML§6-p) must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

Capital

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

Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the general fund.

Tax Certiorari

Tax Certiorari reserve (EL§3651) must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the general fund.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Scholarships and Donations

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

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

Assigned fund balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.

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

Unassigned fund balance includes \$8,825,132 in the general fund and a deficit of \$194,381 in the capital projects fund.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2021 is within the legal limit.

Order of Use of Fund Balance

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

T) Recent accounting pronouncement:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

reported. The District has adopted and implemented GASB Statement No. 84, Fiduciary Activities, in 2021. See Note 19 for further consideration.

U) Future accounting pronouncement:

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

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

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

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

Long-term revenue and expense differences:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Capital related differences:

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

Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations, if any, that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as amounts assigned in the fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

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

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2021 included \$33,595,169 within the governmental funds for general reserves, capital projects, and scholarships and donations purposes.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

C) Investments:

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

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year, the District was billed \$13,127,977 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$3,526,781. Financial statements for the BOCES are available from the BOCES administrative office located at 65 Parrott Road, West Nyack, New York 10994.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

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

Health services and tuition billings	\$ 1,230,202
BOCES aid	<u>1,977,305</u>
Total due from other governments	<u><u>\$ 3,207,507</u></u>

District management has deemed these amounts to be fully collectible.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 7 – STATE AND FEDERAL AID RECEIVABLES:

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

General Fund	
Excess cost aid	\$1,515,784
CARES Act	504,770
Total-General Fund	<u>\$2,020,554</u>
Special Aid Fund	
Federal and state grants	<u>\$3,274,055</u>
Total-Special Aid Fund	<u>\$3,274,055</u>
School Lunch Fund	
Federal reimbursement - meals	\$534,659
State reimbursement - meals	8,542
Total School Lunch Fund	<u>\$543,201</u>
Capital Projects Fund	
Smart Schools Bond Act grants	<u>\$952,404</u>
Total Capital Projects Fund	<u>\$952,404</u>
Total-All Funds	<u>\$6,790,214</u>

The general fund excess cost aid receivable includes \$256,282 of unavailable revenues, which is included in deferred inflows of resources on the balance sheet. The capital projects fund receivable of \$952,404 for Smart Schools Bond Act grants represents unavailable revenues, which is included in deferred inflows of resources on the balance sheet.

District management has deemed these amounts to be fully collectible.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 8 - CAPITAL ASSETS:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$2,276,325			\$2,276,325
Construction in progress	8,282,282	\$6,286,183	(\$3,291,981)	11,276,484
Total capital assets not being depreciated	<u>10,558,607</u>	<u>6,286,183</u>	<u>(3,291,981)</u>	<u>13,552,809</u>
Capital assets being depreciated:				
Buildings and improvements	160,714,392	2,694,928	98,077	163,507,397
Machinery and equipment	15,158,927	236,429	(681,320)	14,714,036
Total capital assets being depreciated	<u>175,873,319</u>	<u>2,931,357</u>	<u>(583,243)</u>	<u>178,221,433</u>
Less accumulated depreciation:				
Building and improvements	75,971,995	4,912,360	(652)	80,883,703
Machinery and equipment	10,392,793	830,585	(595,216)	10,628,162
Total accumulated depreciation	<u>86,364,788</u>	<u>5,742,945</u>	<u>(595,868)</u>	<u>91,511,865</u>
Total capital assets being depreciated, net	<u>89,508,531</u>	<u>(2,811,588)</u>	<u>12,625</u>	<u>86,709,568</u>
Total capital assets, net	<u><u>\$100,067,138</u></u>	<u><u>\$3,474,595</u></u>	<u><u>\$ (3,279,356)</u></u>	<u><u>\$100,262,377</u></u>

Depreciation expense and loss on disposal were charged to governmental functions as follows:

General support	\$11,701
Instruction	8,301,266
Transportation	<u>709,334</u>
Total depreciation expense	<u><u>\$9,022,301</u></u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$2,994,076	\$4,696,242	\$486,655	\$969,196
Special aid fund	105,200	3,076,358	492,712	
School lunch fund	476,484	1,802,402	476,484	
Miscellaenous special revenue fund		636,512		
Capital projects fund	6,949,792	314,038		486,655
Total governmental activities	<u>\$10,525,552</u>	<u>\$10,525,552</u>	<u>\$1,455,851</u>	<u>\$1,455,851</u>

The District typically transfers from the general fund to the special aid fund to fund the District's share of the costs for the summer program for students with disabilities and state supported Section 4201 schools, as required by New York State Law. The District transferred from the general fund to the school lunch fund to cover the negative balances on students who owe money to the District for meals and to subsidize the school lunch funds loss from operations. The District typically transfers from the general fund to the capital projects fund to finance capital construction projects. The District transferred from the capital projects fund to the general fund for unspent appropriations on completed capital projects.

NOTE 10 – SHORT-TERM LIABILITIES:

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	7/24/2020	2.25%	\$ 31,983,506	\$ -	\$ 31,983,506	\$ -
TAN	11/24/2020	1.00%	-	14,600,000	14,600,000	-
Total			<u>\$ 31,983,506</u>	<u>\$ 14,600,000</u>	<u>\$ 46,583,506</u>	<u>\$ -</u>

The BAN in the amount of \$31,983,506 was issued on July 25, 2019 to finance capital fund projects. The BAN included a premium of \$280,815, which resulted in a net interest cost of \$436,815 to the District.

On July 23, 2020, the District issued a TAN for \$14,600,000, maturing on November 24, 2020, for interim financing of the general fund operations. The TAN had a stated interest rate of 1.0%, resulting in interest expense of \$49,072. It also included a total premium of \$34,456, which resulted in a net interest cost of \$14,616.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

A) Short-Term Interest:

Interest on short-term debt for the year was comprised of:

	<u>Total</u>
Interest paid	\$451,431
Less interest accrued in the prior year	(667,656)
Plus interest accrued in the current year	-
Total interest expense on short-term debt	<u><u>(\$216,225)</u></u>

NOTE 11 – LONG-TERM LIABILITIES:

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Bonds payable					
Construction bonds	\$18,230,000	\$26,645,000	(\$5,440,000)	\$39,435,000	\$6,225,000
Tax certiorari bonds	145,000		(70,000)	75,000	75,000
Plus: unamortized premiums on bonds	692,602	4,794,074	(528,692)	4,957,984	539,444
Total bonds payable	19,067,602	31,439,074	(6,038,692)	44,467,984	6,839,444
Other liabilities					
Energy performance contract debt payable	893,566		(593,646)	299,920	299,920
Compensated absences payable	3,389,218	98,271	(136,727)	3,350,762	517,705
Total other post-employment benefits obligation	225,386,645	16,112,536	(6,435,219)	235,063,962	
Net pension liability - proportionate share -					
Employees' retirement system	17,641,068		(17,576,271)	64,797	
Teachers' retirement system		60,726,609	(44,862,363)	15,864,246	
Total long-term liabilities	<u>\$266,378,099</u>	<u>\$108,376,490</u>	<u>(75,642,918)</u>	<u>\$299,111,671</u>	<u>\$7,657,069</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, energy performance contract debt payable, compensated absences payable, total other post-employment benefits obligation, and net pension liabilities.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

A) Bonds Payable:

Bonds Payable is comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rates	Outstanding at June 30, 2021
Tax certioraris	2004	\$900,000	April 2022	4.72%	\$75,000
Construction	2007	9,089,628	April 2022	3.50-5.00%	830,000
Construction	2008	12,308,730	April 2023	3.00-5.00%	2,225,000
Construction	2009	5,834,302	March 2024	3.00-4.00%	1,535,000
Refunding Bond Issue	2012	12,410,000	October 2022	2.00-4.00%	2,510,000
Refunding Bond Issue - Series A	2015	7,695,000	April 2024	2.00-5.00%	1,900,000
Refunding Bond Issue - Series B	2015	360,000	April 2024	1.75-4.00%	130,000
Construction	2015	5,440,875	November 2029	2.00-2.625%	3,660,000
Construction	2021	26,645,000	July 2032	2.00-5.00%	26,645,000
					<u>\$39,510,000</u>

On July 23, 2020, the District issued serial bonds with a par amount of \$26,645,000 and a net premium of \$4,794,074. \$449,103 of the bond premium was allocated to the general fund to offset debt service costs, while \$4,344,971 was allocated to the capital projects fund to fund the construction costs. These bonds will mature on July 15, 2032.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$6,300,000	\$2,050,913	\$8,350,913
2023	5,410,000	1,254,663	6,664,663
2024	3,520,000	1,036,631	4,556,631
2025	2,390,000	875,619	3,265,619
2026	2,500,000	764,369	3,264,369
2027-2031	13,875,000	2,005,469	15,880,469
2032-2033	5,515,000	110,850	5,625,850
	<u>\$39,510,000</u>	<u>\$8,098,514</u>	<u>\$47,608,514</u>

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Unissued Debt

On December 10, 2015, voters approved a bond authorization for a total estimated cost not to exceed \$36,191,198 to construct infrastructure and other improvements (including roofs, boilers, and transformers). The District issued \$32,218,506 of debt, leaving authorized but unissued debt of \$3,972,692 as of June 30, 2021.

B) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
2012 energy performance contract debt payable	10/15/2012	10/15/2021	1.39%	<u>\$299,920</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$299,920	\$2,084	\$302,004
	<u>\$299,920</u>	<u>\$2,084</u>	<u>\$302,004</u>

C) Long-Term Interest:

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

	Total
Interest paid	\$657,227
Less interest accrued in the prior year	(153,538)
Plus interest accrued in the current year	1,142,034
Less amortization on premiums on bonds	(528,692)
Plus amortization of deferred charges on refundings	138,498
Total interest expense on long-term debt	<u>\$1,255,529</u>

D) Premiums on Bonds:

Premiums on bonds, net of accumulated amortization, which is reported as a component of the related long-term liability, amounted to \$4,957,984 as of June 30, 2021. This represents premiums received on the 2012 and 2015 bond refundings, as well as the April 2008, March 2009, and July 2020 bond issuances. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization of the bond premiums is recorded as a reduction in interest expense on the Statement of Activities.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED CHARGES ON REFUNDINGS

The deferred charges pertaining to the 2012 bond refunding and the 2015 bond refunding as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2021, consisted of the following:

	<u>2012 Refunding</u>	<u>2015 Refunding</u>	<u>Total</u>
Deferred charges	\$1,197,665	\$187,364	\$1,385,029
Accumulated amortization	<u>(1,197,665)</u>	<u>(131,152)</u>	<u>(1,328,817)</u>
Balance of deferred amounts	<u>\$ -</u>	<u>\$56,212</u>	<u>\$56,212</u>

These deferred charges on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over 10 years, the time to maturity of the refunding bonds at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

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

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple –employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll was 21.6% for Tier 1, 16.2% for Tiers 3 and 4, 13.5% for Tier 5, and 9.7% for Tier 6.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	<u>NYSERS</u>	<u>NYSTRS</u>
2021	\$ 3,714,688	\$ 9,473,398
2020	\$ 3,376,592	\$ 8,615,697
2019	\$ 3,475,728	\$ 9,895,043

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 64,797	\$ 15,864,246
District's portion of the Plan's total net pension liability	0.0650740%	0.574111%
Change in proportion since the prior measurement date	-0.001545%	0.015912%

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$2,215,051 for ERS and \$21,293,423 for TRS. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 791,344	\$ 13,900,253	\$ -	\$ 813,012
Net difference between projected and actual earnings on pension plan investments	-	10,360,743	18,613,448	-
Changes of assumptions	11,914,036	20,064,578	224,702	7,151,974
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,670,007	536,789	205,528	1,601,594
District's contributions subsequent to the measurement date	1,078,583	9,473,398		
	<u>\$ 15,453,970</u>	<u>\$ 54,335,761</u>	<u>\$ 19,043,678</u>	<u>\$ 9,566,580</u>

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

	<u>ERS</u>	<u>TRS</u>
Fiscal year ended:		
2021	\$ -	\$ 6,114,561
2022	(531,589)	12,409,887
2023	47,327	10,083,421
2024	(733,504)	6,078,274
2025	(3,450,525)	28,753
Thereafter	-	580,887
	<u>\$ (4,668,291)</u>	<u>\$ 35,295,783</u>

Actuarial Assumptions

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.9%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.70%	2.20%

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

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

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

CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXHIBIT 10

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	<u>March 31, 2021</u>		<u>June 30, 2020</u>	
<u>Asset type</u>	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
	<u>Allocation</u>	<u>expected real</u>	<u>Allocation</u>	<u>expected real</u>
		<u>rate of return</u>		<u>rate of return</u>
Domestic equity	32%	4.05%	33%	6.3%
International equity	15%	6.15%	16%	7.8%
Global equity			4%	7.2%
Private equity	10%	6.75%	8%	9.9%
Real estate	9%	4.95%	11%	4.6%
Opportunistic/Absolute return st	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed Income	23%	0.00%		
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.8%
Global bonds			2%	1.0%
High-yield bonds			1%	3.9%
Private debt			1%	5.2%
Real estate debt			7%	3.6%
Cash equivalents			1%	0.7%
	<u>100%</u>		<u>100%</u>	

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

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 6.10% for TRS) or 1-percentagepoint higher (6.90% for ERS and 8.10% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
District's proportionate share of the net pension asset (liability)	<u>(\$17,985,077)</u>	<u>(\$64,797)</u>	<u>\$16,461,896</u>
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
<u>TRS</u>			
District's proportionate share of the net pension asset (liability)	<u>(\$100,208,973)</u>	<u>(\$15,864,246)</u>	<u>\$54,922,355</u>

Pension Plan Fiduciary Net Position

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

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

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

Payables to the Pension Plan

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$1,070,583.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$10,095,725.

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021, totaled \$73,266 and \$6,135,205 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2021 totaled \$505,779.

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

A) General Information about the OPEB Plan:

Plan Description

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 50% for individual or family coverage for the Clarkstown School's Administrator's Association, 74% of individual, and 59% of family coverage for other bargaining units, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ending June 20, 2021, the District contributed an estimated \$6,435,219 to the Plan, including \$6,435,219 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries/spouses currently receiving benefit payments	1,031
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,485
	<u>2,516</u>

Total OPEB Liability:

The District's total OPEB liability of \$235,063,962 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	6.6% decreasing to 4.1% over 56 years
Retirees' share of benefit-related costs	50.00% of projected health insurance premiums for retirees and family, 100% for surviving spouse

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table generationally projected using Scale MP-Ultimate. This assumption includes a margin for future improvements in longevity.

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

B) Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2020	<u>\$ 225,386,645</u>
Changes for the fiscal year:	
Service cost	9,216,214
Interest	5,114,002
Changes in assumptions or other inputs	1,782,320
Benefit payments	<u>(6,435,219)</u>
Net changes	<u>9,677,317</u>
Balance at June 30, 2021	<u><u>\$ 235,063,962</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the following:

- The discount rate was changed from 2.21% to 2.16%

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

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$275,284,593</u>	<u>\$235,063,962</u>	<u>\$202,869,386</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

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

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

	1% Decrease (5.60% decreasing to 3.10%)	Healthcare Cost Trend Rates (6.60% decreasing to 4.10%)	1% Increase (7.60% decreasing to 5.10%)
Total OPEB liability	<u>\$203,973,016</u>	<u>\$235,063,962</u>	<u>\$275,782,706</u>

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$11,798,962. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (6,102,760)
Changes of assumptions or other inputs	5,792,630	(10,075,687)
	<u>\$ 5,792,630</u>	<u>\$ (16,178,447)</u>

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

Fiscal Year ended June 30:	
2022	\$ (2,531,254)
2023	(2,531,254)
2024	(2,531,254)
2025	(2,531,254)
2026	(314,835)
Thereafter	54,034
	<u>\$ (10,385,817)</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 16 – RISK MANAGEMENT:

A) General:

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

B) Public Entity Risk Pool:

The District and neighboring districts in Rockland County, New York, participate in the Rockland County Schools Cooperative Self-Insurance Plan for Workers' Compensation. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The District has transferred all related risk to the Plan.

C) Self- Insured Plan:

The District has established a self-insured plan for dental benefits up to \$1,500 per employee per year. Claims in excess of this amount are the responsibility of the employee. An administrator has been retained to manage this program. Expenditures for the fiscal year ended June 30, 2021 were \$1,541,848.

NOTE 17 - TAX ABATEMENTS:

The County of Rockland, under the authority of General Municipal Law Section 925-1, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the county. The District's property tax revenue was reduced by \$1,029,779 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$353,465 for these programs during the fiscal year.

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

General fund

General support	\$56,923
Instruction	201,948
Pupil transportation	6,091
Employee benefits	95
	<u>\$265,057</u>

Special aid fund

Grant programs services and goods	<u>\$324,365</u>
-----------------------------------	------------------

B) Grants:

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

C) Litigation:

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

D) Operating Leases:

The District leases buses as well as various technology equipment, software, and other items. through operating lease agreements. Rental expense for the fiscal year was \$1,696,745. The minimum remaining lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$1,447,037
2023	2,623,037
2024	<u>699,125</u>
Total Lease Payments	<u>\$4,769,199</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

NOTE 19 – RESTATEMENT OF FUND BALANCES AND NET POSITION:

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

	General Fund	Miscellaneous Special Revenue Fund	Statement of Net Position
Fund Balance/Net Position			
Beginning of Year as Reported	\$ 33,821,634	\$ 8,370	\$ (110,435,362)
Assets			
Cash and cash equivalents	3,690,704	486,467	4,177,171
Due from other funds	(7,673,396)		(7,673,396)
Total Assets	<u>(3,982,692)</u>	<u>486,467</u>	<u>(3,496,225)</u>
Liabilities			
Due to other funds	(4,156,780)		(4,156,780)
Other liabilities	174,088		174,088
Total Liabilities	<u>(3,982,692)</u>	<u>-</u>	<u>(3,982,692)</u>
Fund Balance/Net Position			
Assigned unappropriated fund balance	-	486,467	486,467
Total Fund Balance/Net Position	<u>-</u>	<u>486,467</u>	<u>486,467</u>
Fund Balance/Net Position			
Beginning of Year, as Restated	<u>\$ 33,821,634</u>	<u>\$ 494,837</u>	<u>\$ (109,948,895)</u>

NOTE 20 – SUBSEQUENT EVENTS:

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

- A)** On August 23, 2021, the District issued a tax anticipation note (TAN) for \$12,500,000, maturing on November 5, 2021, for interim financing of the general fund operations. The TAN has a stated interest rate of 0.25%, resulting in interest expense of \$6,250. It also includes a total premium of \$3,250, which results in a net interest cost of \$3,000.
- B)** In August and September 2021, the District was awarded funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of \$6,712,803 through the Elementary and Secondary School Emergency Relief Program (ESSER) and \$838,096 through the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as they are expended. As of the date of the financial statements, the District has received payments of \$1,342,560 and \$167,619 for ESSER and GEER, respectively.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 10

- C)** On September 15, 2021, the District accepted the resignation of the Superintendent and will pay compensation amounts in accordance with the separation agreement.
- D)** On October 7, 2021, the Board approved a settlement agreement totaling \$500,000. This amount was recorded in accrued liabilities in the general fund on the balance sheet fund as of June 30, 2021.

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$169,694,987	\$169,694,987	\$158,855,793	(\$10,839,194)
Other real property tax items	300,000	300,000	11,315,245	11,015,245
Charges for services	3,413,000	3,413,000	3,020,819	(392,181)
Use of money and property	1,425,000	1,425,000	46,809	(1,378,191)
Sale of property and compensation for loss	56,500	56,760	95,414	38,654
Miscellaneous	869,031	870,809	1,190,458	319,649
State Sources				
Basic formula	21,503,551	21,503,551	18,322,763	(3,180,788)
Excess cost aid	1,909,913	1,909,913	6,103,964	4,194,051
Lottery aid			6,902,324	6,902,324
BOCES aid	2,397,038	2,397,038	3,526,781	1,129,743
Tuition for students with disabilities			56,443	56,443
Textbook aid	470,568	470,568	476,311	5,743
Computer software/hardware aid	218,599	218,599	214,391	(4,208)
Library A/V loan program aid	55,500	55,500	53,756	(1,744)
Other state aid	10,500,517	10,500,517	179,210	(10,321,307)
Federal Sources	-	-	648,990	648,990
Other Financing Sources				
Transfers from other funds	-	-	486,655	486,655
Bond premium	-	-	449,103	449,103
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>212,814,204</u>	<u>212,816,242</u>	<u>\$211,945,229</u>	<u>(\$871,013)</u>
Appropriated Fund Balance	-	1,876,161		
Appropriated Reserves	<u>277,887</u>	<u>277,887</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE AND RESERVES	<u>\$213,092,091</u>	<u>\$214,970,290</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	\$203,898	\$200,180	\$176,413		\$23,767
Central administration	350,031	366,339	352,717		13,622
Finance	1,997,963	1,909,470	1,799,076	\$29,000	81,394
Staff	1,317,810	1,143,848	1,063,124		80,724
Central services	16,355,250	17,361,840	16,800,527	27,923	533,390
Special items	3,170,825	2,717,032	2,712,252		4,780
Total general support	<u>23,395,777</u>	<u>23,698,709</u>	<u>22,904,109</u>	<u>56,923</u>	<u>737,677</u>
Instructional					
Instruction, admin, and improvement	8,269,680	8,449,946	8,292,100	10,244	147,602
Teaching - regular school	69,350,849	68,555,458	67,853,287	57,825	644,346
Programs for children with handicap conditions	29,774,812	29,537,236	29,359,045	111,979	66,212
Occupational education	1,597,200	1,548,186	1,548,186		-
Teaching special schools	1,518,225	1,527,603	1,454,535		73,068
Instructional media	4,940,216	5,300,406	5,210,021		90,385
Pupil services	11,058,442	12,485,544	12,169,716	21,900	293,928
Total instructional	<u>126,509,424</u>	<u>127,404,379</u>	<u>125,886,890</u>	<u>201,948</u>	<u>1,315,541</u>
Pupil transportation	<u>8,061,714</u>	<u>8,331,494</u>	<u>8,053,119</u>	<u>6,091</u>	<u>272,284</u>
Community services	<u>711,947</u>	<u>691,695</u>	<u>649,677</u>		<u>42,018</u>
Employee benefits	<u>46,497,540</u>	<u>46,451,324</u>	<u>45,593,049</u>	<u>95</u>	<u>858,180</u>
Debt service - principal	6,101,646	6,103,646	6,103,646		-
Debt service - interest	1,144,043	1,142,043	1,108,658		33,385
Total debt service	<u>7,245,689</u>	<u>7,245,689</u>	<u>7,212,304</u>	<u>-</u>	<u>33,385</u>
TOTAL EXPENDITURES	212,422,091	213,823,290	210,299,148	265,057	3,259,085
Other Financing Uses					
Transfers to other funds	<u>670,000</u>	<u>1,147,000</u>	<u>969,196</u>	<u>-</u>	<u>177,804</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$213,092,091</u>	<u>\$214,970,290</u>	<u>211,268,344</u>	<u>\$265,057</u>	<u>\$3,436,889</u>
Net change in fund balances			676,885		
Fund balances - beginning of year			<u>33,821,634</u>		
Fund balances - end of year			<u><u>\$34,498,519</u></u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,***

TOTAL OPEB LIABILITY	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 9,216,214	\$ 8,040,289	\$ 9,242,927	\$ 8,973,716
Interest	5,114,002	7,805,418	6,946,007	6,650,234
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(8,305,349)	-	(79,523)
Changes of assumptions or other inputs	1,782,320	5,860,154	(17,448,142)	-
Benefit payments	<u>(6,435,219)</u>	<u>(5,920,156)</u>	<u>(6,204,442)</u>	<u>(5,708,324)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	9,677,317	7,480,356	(7,463,650)	9,836,103
TOTAL OPEB LIABILITY - BEGINNING	<u>225,386,645</u>	<u>217,906,289</u>	<u>225,369,939</u>	<u>215,533,836</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 235,063,962</u>	<u>\$ 225,386,645</u>	<u>\$ 217,906,289</u>	<u>\$ 225,369,939</u>
COVERED-EMPLOYEE PAYROLL	\$ 114,447,737	\$ 114,447,737	\$ 114,370,005	114,370,005
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	205.39%	196.93%	190.53%	197.05%

NOTES TO SCHEDULE:*Trust Assets*

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

Changes of Assumptions

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

The following are the discount rates used in each period:

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

The following are the inflation rates used in each period:

2021	2.60%
2020	2.60%
2019	3.00%
2018	2.60%

The following are the medical trend rates used in each period:

2021	6.6% to 4.1% over 56 years
2020	6.6% to 4.1% over 56 years
2019	7.5% to 4.5% over 7 years
2018	7.5% in 2017, decreasing 0.5% per year to an ultimate rate of 4.5% in 2023

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

<u>NYSERS Pension Plan</u>							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension (liability)	0.0650740%	0.0666189%	0.0675185%	0.0678799%	0.0701364%	0.0721181%	0.0730533%
District's proportionate share of the net pension (liability)	\$ (64,797)	\$ (17,641,068)	\$ (4,783,888)	\$ (2,190,786)	\$ (6,590,175)	\$ (11,575,156)	\$ (2,467,920)
District's covered payroll	\$ 23,988,384	\$ 24,198,990	\$ 23,351,649	\$ 22,513,911	\$ 22,502,004	\$ 22,237,879	\$ 22,024,212
District's proportionate share of the net pension (liability) as a percentage of its covered payroll	0.27%	72.90%	20.49%	9.73%	29.29%	52.05%	11.21%
Plan fiduciary net position as a percentage of the total pension (liability)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%
<u>NYSTRS Pension Plan</u>							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension (liability) / asset	0.574111%	0.558199%	0.547119%	0.542113%	0.544658%	0.555328%	0.573978%
District's proportionate share of the net pension (liability) / asset	\$ (15,864,246)	\$ 14,502,047	\$ 9,893,363	\$ 4,120,596	\$ (5,833,517)	\$ 57,680,924	\$ 63,937,594
District's covered payroll	\$ 99,102,527	\$ 93,174,392	\$ 89,119,624	\$ 83,870,731	\$ 85,379,488	\$ 84,645,521	\$ 83,779,038
District's proportionate share of the net pension (liability) / asset as a percentage of its covered payroll	16.01%	15.56%	11.10%	4.91%	6.83%	68.14%	76.32%
Plan fiduciary net position as a percentage of the total pension (liability) / asset	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,714,688	\$ 3,376,592	\$ 3,475,728	\$ 3,399,539	\$ 3,535,593	\$ 4,125,552	\$ 4,381,972
Contributions in relation to the contractually required contribution	<u>3,714,688</u>	<u>3,376,592</u>	<u>3,475,728</u>	<u>3,399,539</u>	<u>3,535,593</u>	<u>4,125,552</u>	<u>4,381,972</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$24,305,169	\$ 23,497,189	\$ 23,102,022	\$ 22,484,834	\$ 22,858,594	\$ 22,720,415	\$ 22,024,212
Contributions as a percentage of covered payroll	15.28%	14.37%	15.05%	15.12%	15.47%	18.16%	19.90%

NYSTRS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	9,473,398	\$ 8,615,697	\$ 9,895,043	\$ 8,731,965	\$ 9,937,833	\$ 11,321,320	\$ 14,838,360
Contributions in relation to the contractually required contribution	<u>9,473,398</u>	<u>8,615,697</u>	<u>9,895,043</u>	<u>8,731,965</u>	<u>9,937,833</u>	<u>11,321,320</u>	<u>14,838,360</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$99,868,396	\$ 99,102,527	\$ 93,174,392	\$ 89,119,624	\$ 83,870,731	\$ 85,379,488	\$ 84,645,521
Contributions as a percentage of covered payroll	9.49%	8.69%	10.62%	9.80%	11.85%	13.26%	17.53%

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$212,814,204
Add: Prior year's encumbrances		<u>277,887</u>
Original Budget		213,092,091
Budget revisions:		
Insurance recoveries	\$260	
Donations	1,778	
Appropriated fund balance	<u>1,876,161</u>	<u>1,878,199</u>
Final Budget		<u><u>\$214,970,290</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter approved expenditure budget		<u><u>\$220,799,579</u></u>
Maximum allowed (4% of 2021-2022 budget)		<u><u>\$8,831,983</u></u>
General fund fund balance subject to Section 1318 of Real Property Tax Law		
Assigned fund balance	\$265,057	
Unassigned fund balance	<u>8,825,132</u>	
Total unrestricted fund balance		\$9,090,189
Less:		
Appropriated fund balance	-	
Encumbrances included in assigned fund balance	<u>265,057</u>	
Total adjustments		<u>265,057</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law		<u><u>\$8,825,132</u></u>
Actual percentage		4.00%

CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
CAPITAL PROJECTS SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Name	SED Code	Total Authorized Budget	Prior Years Expenses	Current Year Expenses	Total	Unexpended Balance	General Fund Transfers	Capital Reserve	Fund Balance Appropriation	Debt	State Sources	Total	Balance June 30, 2021
Projects Funded Prior to 2018-15													
1	District-wide Telecom upgrade	NA	\$ 796,775	\$ -	\$ -	\$ -	\$ -	\$ 796,775	\$ -	\$ -	\$ -	\$ 796,775	\$ 796,775
2	District-wide ADA upgrades		225,000					225,000				225,000	225,000
Total Projects Funded Prior to 2018-15			1,021,775	-	-	-	-	1,021,775	-	-	-	1,021,775	1,021,775
\$36 Million Bond Referendum													
Roofing, Boilers, and Transformers Reconstruction Project													
3	Phase I - Birchwood Boiler and Electrical	0-002-011	657,236	671,150		671,150	(13,914)			671,150		671,150	-
4	Phase I - Bardonia Electrical	0-007-018	8,573	1,075		1,075	7,498			1,075		1,075	-
5	Phase I - North HS Roof	0-010-021	4,603,293	3,067,618		3,067,618	1,535,675			3,067,618		3,067,618	-
6	Phase I - North HS Boiler and Electrical	0-010-020	1,600,228	1,510,699		1,510,699	89,529			1,510,699		1,510,699	-
7	Phase I - Laurel Plains Roof	0-011-013	2,105,590	1,412,283		1,412,283	693,307			1,412,283		1,412,283	-
8	Phase I - Laurel Plains Electrical	0-011-012	300,043	163,918		163,918	136,125			163,918		163,918	-
9	Phase I - FFMS Roof	0-012-029	5,547,266	3,892,065		3,892,065	1,655,201			3,892,065		3,892,065	-
10	Phase I - FFMS Boiler and Electrical	0-012-028	1,300,185	1,337,832		1,337,832	(37,647)			1,337,832		1,337,832	-
11	Phase I - South HS Boiler	0-018-020	2,328,902	2,064,504		2,064,504	264,398			2,064,504		2,064,504	-
Phase I totals			18,451,316	14,121,144	-	14,121,144	4,330,172	-	-	14,121,144	-	14,121,144	-
12	Phase II - New City Roof (& Asbestos)	0-003-014	1,402,238	1,360,983		1,360,983	41,255			1,360,983		1,360,983	-
13	Phase II - Little Tor Roof/(Asbestos)/Electrical	0-004-015	2,146,475	1,425,465		1,425,465	721,010			1,425,465		1,425,465	-
14	Phase II - West Nyack Roof/(Asbestos)/Electrical	0-006-018	1,788,883	1,341,002		1,341,002	447,881			1,341,002		1,341,002	-
15	Phase II - Dina Link Roof/Asbestos/Electrical	0-013-014	1,338,932	1,129,287		1,129,287	209,645			1,129,287		1,129,287	-
16	Phase II - Lakewood Roof/(Asbestos)/Electrical	0-017-011	1,387,825	1,040,499		1,040,499	347,326			1,040,499		1,040,499	-
17	Phase II - Strawtown Roof (& Asbestos)	0-019-014	1,130,374	955,128		955,128	175,246			955,128		955,128	-
Phase II totals			9,194,727	7,252,364	-	7,252,364	1,942,363	-	-	7,252,364	-	7,252,364	-
18	Phase III - Birchwood Roof	0-002-013	416,333	367,759		367,759	48,574			367,759		367,759	-
19	Phase III - Chestnut Grove	0-005-012	1,476,891	1,367,434	(8,342)	1,359,092	117,799			1,359,092		1,359,092	-
20	Phase III - Bardonia Roof	0-007-020	271,175	266,533		266,533	4,642			266,533		266,533	-
21	Phase III - Woodglen Roof	0-016-013	1,387,605	1,066,829		1,066,829	320,776			1,066,829		1,066,829	-
22	Phase III - Woodglen Electrical	0-016-014	311,627	194,468		194,468	117,159			194,468		194,468	-
23	Phase III - South HS Roof	0-018-023	6,242,436	5,413,479		5,413,479	828,957			5,413,479		5,413,479	-
24	Phase III - South HS Electrical	0-018-024	485,783	345,743		345,743	140,040			345,743		345,743	-
25	Phase III - Strawtown Electrical	0-019-016	246,172	235,208		235,208	10,964			235,208		235,208	-
26	Phase III - Transportation Roof	5-500-004	389,146	374,595	(7,246)	367,349	21,797			367,349		367,349	-
Phase III totals			11,227,168	9,632,048	(15,588)	9,616,460	1,610,708	-	-	9,616,460	-	9,616,460	-
Total All Phases			38,873,211	31,005,556	(15,588)	30,989,968	7,883,243	-	-	30,989,968	-	30,989,968	-

CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
CAPITAL PROJECTS SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Name	SED Code	Total Authorized Budget	Prior Years Expenses	Current Year Expenses	Total	Unexpended Balance	General Fund Transfers	Capital Reserve	Fund Balance Appropriation	Debt	State Sources	Total	Balance June 30, 2021
2018-19 Fiscal Year Projects														
27	Emergency Elevator Replacemen	0-0018-026	314,038	289,797	29,450	319,247	(5,209)	5,209		314,038			319,247	-
28	Phase IV - CLC Bldg Automation Control Upgrade Phase IV - Birchwood Bldg Auto Cntrl, Drinking Fountain Replacement and Storefront and Door replacement	0-001-016	15,470	2,059	15,470	17,529	(2,059)		22,620				22,620	5,091
29	Phase IV - NCES Bldg Auto Control and Drinking Fountains	0-002-014	220,861	88,343	210,559	298,902	(78,041)	233,458	10,374				243,832	(55,070) *
30	Phase IV - LTES Bldg Auto Control and Drinking Fountains	0-003-015	39,997	15,162	24,942	40,104	(107)		39,997				39,997	(107) *
31		0-0004-016	29,225	12,265	20,805	33,070	(3,845)		29,225				29,225	(3,845) *
32	Phase IV - CGA Bldg Auto Control Phase IV - WNES Bldg Auto Control and Drinking Fountains	0-0005-013	4,847	2,060	8,865	10,925	(6,078)		4,848				4,848	(6,077) *
33	Phase IV - BES Bldg Auto Control, Drinking Fountains, and Site Drainage	0-0006-019	37,304	14,767	27,665	42,432	(5,128)		37,305				37,305	(5,127) *
34	Phase IV - CHSN Turf Field replacement, Auditorium Seat replacement, Design Labs, Building Auto Control, and Drinking Fountain	0-0007-021	201,847	132,970	170,268	303,238	(101,391)		209,109				209,109	(94,129) *
35	Phase IV - LPES Bldg Auto Control and Drinking Fountains, playground and site improvement	0-0010-024	1,845,136	834,091	974,595	1,808,686	36,450	58,848	1,786,288				1,845,136	36,450
36	Phase IV - FFMS Storefront and Door Replacement, Pool Deck Repair, new HVAC, Auditorium upgrades, Electrical Upgrades, Building Auto Control, and Drinking Fountain	0-0011-014	1,177,239	244,934	822,912	1,067,846	109,393	608,657	568,581				1,177,238	109,392
37	Phase IV - LES Bldg Auto Control and Drinking Fountains	0-0012-033	3,275,713	1,207,124	1,696,939	2,904,063	371,650	1,988,293	1,287,420				3,275,713	371,650
38	Phase IV - WGES Building Auto Control and Drinking Fountains	0-0013-015	9,297	11,697	12,461	24,158	(14,861)	9,297					9,297	(14,861) *
39	Phase IV - Lakewd Building Auto Control, Drinking Fountains, and Site Drainage	0-0016-015	14,145	14,334	19,409	33,743	(19,598)		14,145				14,145	(19,598) *
40	Phase IV - CHSS Turf Field replacement, Auditorium Sound upgrades, Tennis Courts, Building Auto Control, and Drinking Fountain	0-0017-012	92,876	23,994	22,794	46,788	46,088		14,145				14,145	(32,643) *
41	Phase IV - SES Building Auto Control and Drinking Fountains	0-0018-025	2,474,974	319,739	2,062,058	2,381,797	93,177	310,462	1,814,513				2,124,975	(256,822) *
42	Phase IV - Bus Garage Building Automation Controls	0-0019-017	9,836	10,734	13,058	23,792	(13,956)		9,836				9,836	(13,956) *
43		5-0005-005	2,154	2,060	7,937	9,997	(7,843)		2,154				2,154	(7,843) *
Total 2018-19 Fiscal Year Projects			9,764,961	3,226,130	6,140,187	9,366,317	398,644	3,214,224	5,850,560	314,038	-	-	9,378,822	12,505
2019-20 Fiscal Year Projects														
44	Fiscal Year 2019-20 Capital Projects	N/A	7,900,000		90,008	90,008	7,900,000		7,909,992				7,909,992	7,909,992
45	Fiscal Year 2019-20 Capital Equipment	N/A	100,000		90,008	90,008	9,992		90,008				90,008	-
Total 2019-20 Fiscal Year Projects			8,000,000	-	90,008	90,008	7,909,992	-	8,000,000	-	-	-	8,000,000	7,909,992
Smart Schools Bond														
46	Smart Schools Bond Project	7-999-009	2,806,902	2,704,710	71,576	2,776,286	30,616					1,823,882	1,823,882	(952,404) *
Total All Projects			\$ 60,466,849	\$ 36,936,396	\$ 6,286,183	\$ 43,222,579	\$ 17,244,270	\$ 3,214,224	\$ 14,872,335	\$ 314,038	\$ 30,989,968	\$ 1,823,882	\$ 51,214,447	\$ 7,991,868

*Deficit fund balance will be eliminated once funding from New York State Smart Schools Bond Act is obtained.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021**

Capital assets, net		\$100,262,377
Add: Unamortized deferred charges on refundings		56,212
Deduct:		
Short-term portion of bonds payable (inclusive of unamortized premiums)	(\$6,839,444)	
Long-term portion of bonds payable (inclusive of unamortized premiums)	(37,628,540)	
Short-term portion of energy performance contract payable	(299,920)	
Less: Tax certiorari bonds payable	<u>75,000</u>	<u>(44,692,904)</u>
Net investment in capital assets		<u><u>\$55,625,685</u></u>



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

To the Board of Education
Clarkstown Central School District

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

Internal Control over Financial Reporting

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

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

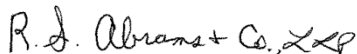
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



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