

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION WITH**  
**INDEPENDENT AUDITOR'S REPORTS**

June 30, 2021

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Longwood Central School District  
Middle Island, New York

### **Report on the Financial Statements**

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

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

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

### ***Auditor's Responsibility***

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

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

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

## ***Summary of Opinions***

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

### ***Basis for Qualified Opinion on the Extraclassroom Activities Fund***

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

### ***Qualified Opinion***

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the “Basis for Qualified Opinion on the Extraclassroom Activities Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Longwood Central School District, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extraclassroom activities fund, and the fiduciary fund of the Longwood Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted

### ***Changes in Accounting Principles***

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

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of the District’s proportionate share of the net pension asset/(liability), schedule of District pension contributions and schedule of changes in the District’s total OPEB liability and related ratios on pages 4 through 17 and 55 through 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

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

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Longwood Central School District's basic financial statements. The other supplementary information on pages 60 through 63 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information requested by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the Longwood Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Longwood Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Longwood Central School District's internal control over financial reporting and compliance.

*Cullen & Danowski, LLP*

October 7, 2021

**LONGWOOD CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Longwood Central School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021 in comparison with the year ended June 30, 2020, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2021 are as follows:

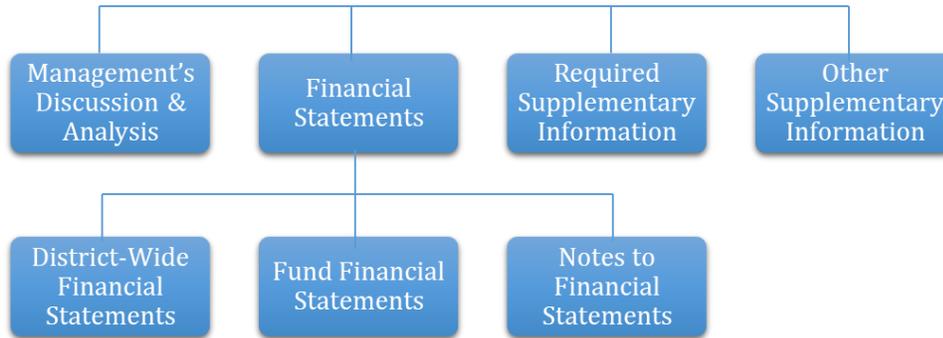
- The District's total net position, as reflected in the district-wide financial statements, decreased by \$45,300,813. This was due to changes in actuarial assumptions in calculating OPEB and Pension liability.
- The District's total net position at June 30, 2020 was restated and increased by \$179,964, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$303,739,998. Of this amount, \$12,762,759 was offset by program charges for services, operating grants and capital grants. General revenues of \$245,676,426 amount to 95.06% of total revenues, and were not adequate to cover the balance of program expenses. However, the District was able to cover operating expenses based on the operating revenues collected.
- The District's general fund - fund balance, as reflected in the fund financial statements was \$59,475,233 at June 30, 2021. This balance represents a \$6,599,475 increase (12.48%) over the prior year due to an excess of revenues and other financing sources over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
  - Restricted fund balances increased by \$18,827,053 due to funding of reserves and interest allocated to the reserves, offset by the use of reserves.
  - Assigned fund balance decreased \$555,691, primarily due to the District decreasing the fund balance appropriated to fund the 2022 budget.
  - Unassigned fund balance decreased by \$11,671,887 to \$10,520,000.
- The District's 2021 property tax levy of \$149,714,213, including STAR was a 3.33% increase over the 2020 tax levy, which was equal to the District's property tax cap.
- The District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) program and the Governor's Emergency Education Relief (GEER) program in the amount of \$1,242,017. The District applied for additional funding in the amount of \$8,938,651 allocated under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which awards were granted in September 2021. In addition, the District applied for and is awaiting approval for \$18,370,619 in grant funds through the American Rescue Plan (ARP) Act.
- On July 7, 2020, the District issued bond anticipation notes in the amount of \$10,190,000 for improvements to the District's facilities.
- On May 18, 2021, the voters of the District approved the use of the capital reserve in the amount of \$3,300,000 to fund the gymnasium floor replacement project. The District transferred the funds during 2020-2021 to the capital projects fund.
- During 2020-2021, the District paid the remaining balances on the pension stabilization agreements with New York State for 2012, 2013, 2014 and 2015 years.
- During 2020-2021, the District paid the remaining balance on the installment debt agreements.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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



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

The Statement of Net Position

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

The Statement of Activities

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

**B. Fund Financial Statements**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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Governmental Funds

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

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

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

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

Fiduciary Funds

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

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

**A. Net Position**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and Other Assets	\$ 81,515,156	\$ 81,161,273	\$ 353,883
Current and Other Liabilities	22,044,838	21,870,919	173,919
Restricted Net Position	28,323,868	28,314,047	9,821
Unrestricted Net Position (Deficit)	(410,530,400)	(410,700,543)	170,143
Total Net Position (Deficit)	(227,108,458)	(227,288,422)	179,964

The District's total net position decreased by \$45,300,813 between fiscal year 2021 and 2020. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
<b>Asset</b>				
Current and Other Assets	\$ 94,593,737	\$ 81,515,156	\$ 13,078,581	16.04 %
Capital Assets, Net	210,869,384	207,843,145	3,026,239	1.46 %
Net Pension Asset - Proportionate Share		15,070,251	(15,070,251)	(100.00)%
Total Assets	305,463,121	304,428,552	1,034,569	0.34 %
<b>Deferred Outflows of Resources</b>	205,414,743	217,145,334	(11,730,591)	(5.40)%
<b>Liabilities</b>				
Current and Other Liabilities	34,355,637	22,044,838	12,310,799	55.84 %
Long-Term Liabilities	70,496,600	77,300,636	(6,804,036)	(8.80)%
Due to ERS		1,771,691	(1,771,691)	(100.00)%
Net Pension Liabilities - Proportionate Share	16,231,845	17,612,863	(1,381,018)	(7.84)%
Total OPEB Liability	597,645,723	584,959,866	12,685,857	2.17 %
Total Liabilities	718,729,805	703,689,894	15,039,911	2.14 %
<b>Deferred Inflows of Resources</b>	64,557,330	44,992,450	19,564,880	43.48 %
<b>Net Position (Deficit)</b>				
Net investment in capital assets	155,181,427	155,098,074	83,353	0.05 %
Restricted	48,878,277	28,323,868	20,554,409	72.57 %
Unrestricted (Deficit)	(476,468,975)	(410,530,400)	(65,938,575)	(16.06)%
Total Net Position (Deficit)	\$ (272,409,271)	\$ (227,108,458)	\$ (45,300,813)	(19.95)%

The increase in current and other assets is primarily related to an increase in cash.

The increase in capital assets, net is due to the capital outlay and other additions, in excess of depreciation expense. The accompanying Notes to Financial Statements, Note 10 "Capital Assets" provides additional information.

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. The accompanying Notes to Financial Statements, Note 15 "Pension Plans – New York State" provides additional information.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

The increase in current and other liabilities is primarily due to the issuance of a bond anticipation note in the amount of \$10,190,000, along with increases in accrued liabilities and amounts due to other governments, offset by a decrease in accounts payable.

The decrease in long-term liabilities is primarily the result of payments of current maturities on bonds during the 2020-2021 year.

The decrease in due to employees' retirement system is due to the District paying the remaining amounts owed to the retirement system under the stabilization program.

Net pension liabilities - proportionate share represents the District's share of the New York State Teachers' Retirement System's and the New York State and Local Employees' Retirement System's collective net pension liability at the measurement date of the respective year. The decrease is due to a decrease in the pension liability for the ERS, offset by the shift of the net pension asset to a liability for the TRS. The accompanying Notes to Financial Statements, Note 15 "Pension Plans - New York State" provides additional information.

Total other postemployment benefits (OPEB) liability increased, based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 17 "Postemployment Healthcare Benefits", provides additional information.

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

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

The restricted amount relates to the District's reserves. This number increased over the prior year principally due to the transfer into reserves, offset by the uses of reserves to fund capital projects.

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

**B. Changes in Net Position**

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

	As Restated 2020	As Reported 2020	Increase (Decrease)
Charges for Services	\$ 1,493,979	\$ 1,083,501	\$ 410,478
Instruction expenses	244,403,116	243,950,093	453,023

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 1,075,189	\$ 1,493,979	\$ (418,790)	(28.03)%
Operating Grants	11,494,873	11,748,624	(253,751)	(2.16)%
Capital Grants	192,697	776,007	(583,310)	(75.17)%
General Revenues				
Property Taxes and STAR	149,714,923	144,896,175	4,818,748	3.33 %
State Sources	89,062,158	97,348,648	(8,286,490)	(8.51)%
Other	6,899,345	5,569,511	1,329,834	23.88 %
Total Revenues	<u>258,439,185</u>	<u>261,832,944</u>	<u>(3,393,759)</u>	(1.30)%
<b>Expenses</b>				
General Support	31,109,533	30,746,159	363,374	1.18 %
Instruction	251,643,247	244,403,116	7,240,131	2.96 %
Pupil Transportation	15,621,233	15,719,641	(98,408)	(0.63)%
Community Services	431,355	494,302	(62,947)	(12.73)%
Debt Service - Interest	1,578,590	1,525,032	53,558	3.51 %
Food Service Program	3,356,040	4,047,204	(691,164)	(17.08)%
Total Expenses	<u>303,739,998</u>	<u>296,935,454</u>	<u>6,804,544</u>	2.29 %
Decrease in Net Position	<u>\$ (45,300,813)</u>	<u>\$ (35,102,510)</u>	<u>\$ (10,198,303)</u>	(29.05)%

The District's net position decreased by \$45,300,813 and \$35,102,510 for the years ended June 30, 2021 and June 30, 2020, respectively.

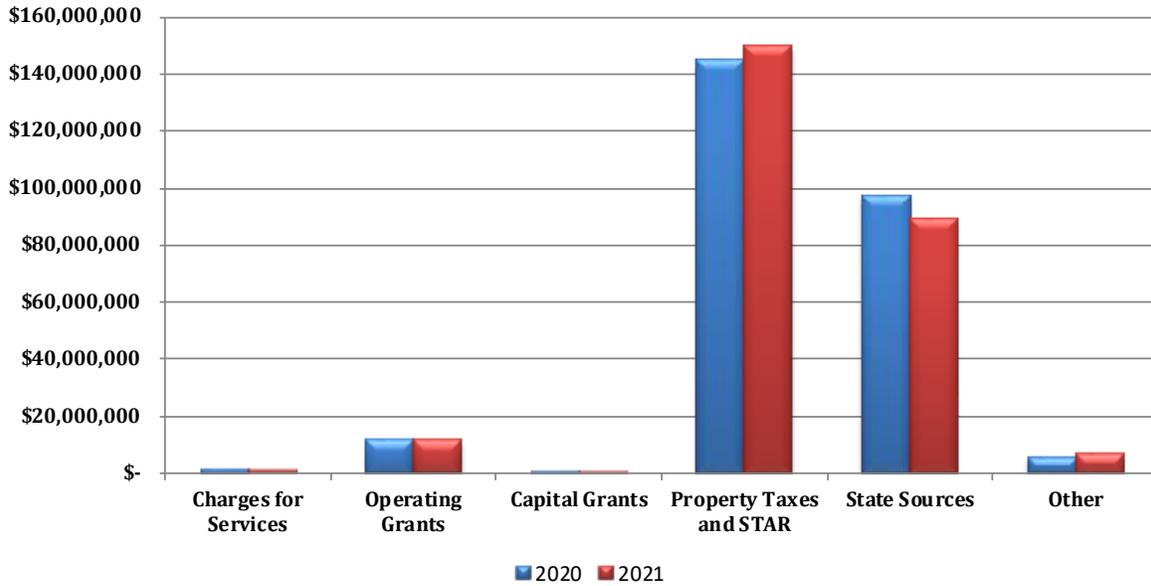
The District's total revenues decreased by \$3,393,759 or 1.30%. This decrease is primarily due to a decrease in state sources, offset by increases in property taxes and STAR, and other revenue.

The District's total expenses for the year increased by \$6,804,544 or 2.29%. The increase in expense is due to increases in general support and instruction, offset by a decrease in the food service program.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 57.9% and 55.3% of the total for the years 2021 and 2020, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 83.0% and 82.2% of the total for the years 2021 and 2020, respectively).

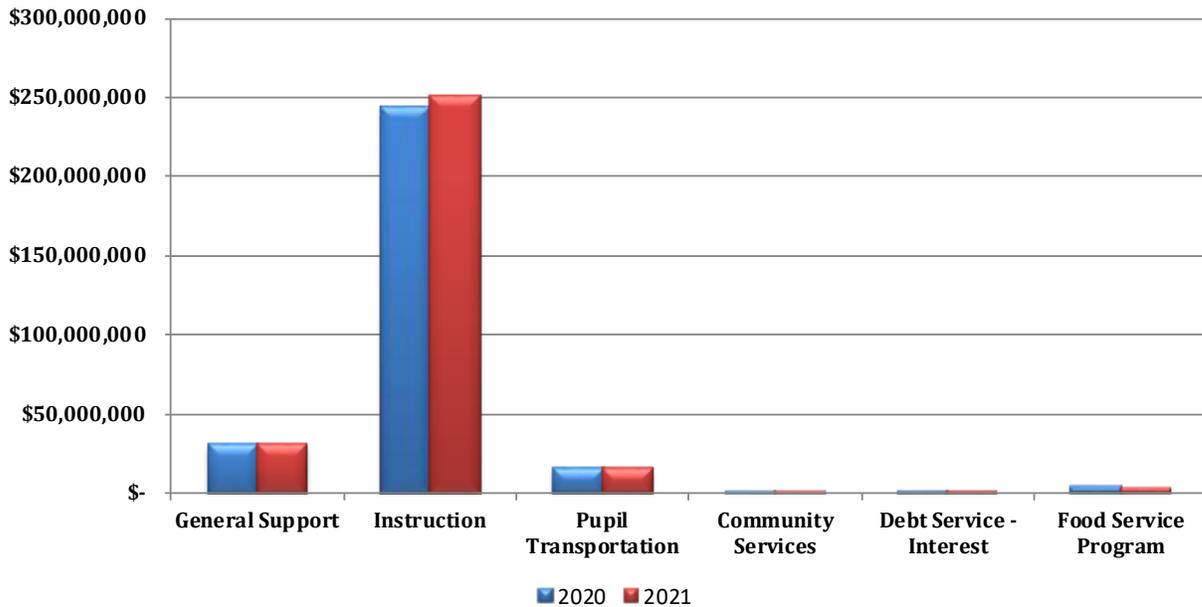
**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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



	Charges for Services	Operating Grants	Capital Grants	Property Taxes and STAR	State Sources	Other
<b>2020</b>	0.6%	4.5%	0.3%	55.3%	37.2%	2.1%
<b>2021</b>	0.4%	4.4%	0.1%	57.9%	34.5%	2.7%

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



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
<b>2020</b>	10.4%	82.2%	5.3%	0.2%	0.5%	1.4%
<b>2021</b>	10.2%	83.0%	5.1%	0.1%	0.5%	1.1%

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$60,699,668, which is an increase of \$1,355,450 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. The June 30, 2020 amounts were restated to include the extraclassroom activities and scholarships funds, as a result of the implementation of GASB Statement No. 84. A summary of the change in the components of fund balance by fund is as follows:

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
<b>General Fund</b>				
Restricted				
Workers' compensation	\$ 4,521,134	\$ 1,517,394	\$ 3,003,740	197.95 %
Unemployment insurance	161,777	161,379	398	0.25 %
Retirement contribution				
Teachers' retirement system	3,876,703	1,917,416	1,959,287	102.18 %
Employees' retirement system	15,536,392	3,419,979	12,116,413	354.28 %
Liability	229,356	228,792	564	0.25 %
Employee benefit accrued liability	10,333,059	10,307,651	25,408	0.25 %
Capital	7,860,443	6,139,200	1,721,243	28.04 %
Assigned:				
Appropriated fund balance	5,400,000	6,000,000	(600,000)	(10.00)%
Unappropriated fund balance	1,036,369	992,060	44,309	4.47 %
Unassigned: Fund balance	10,520,000	22,191,887	(11,671,887)	(52.60)%
	<u>59,475,233</u>	<u>52,875,758</u>	<u>6,599,475</u>	12.48 %
<b>School Food Service Fund</b>				
Nonspendable: Inventory	113,866	250,407	(136,541)	(54.53)%
Assigned: Unappropriated fund balance	1,889,365	1,836,673	52,692	2.87 %
	<u>2,003,231</u>	<u>2,087,080</u>	<u>(83,849)</u>	(4.02)%
<b>Debt Service Fund</b>				
Restricted: Debt service	<u>1,106,007</u>	<u>1,147,236</u>	<u>(41,229)</u>	(3.59)%
<b>Capital Projects Fund</b>				
Restricted				
Capital	5,245,116	3,475,000	1,770,116	50.94 %
Unspent bond proceeds	33,278		33,278	N/A
Unassigned: Fund balance (deficit)	(7,374,313)	(420,820)	(6,953,493)	(1652.37)%
	<u>(2,095,919)</u>	<u>3,054,180</u>	<u>(5,150,099)</u>	(168.62)%
<b>Extraclassroom Activities Fund</b>				
Assigned: Unappropriated fund balance	<u>202,826</u>	<u>170,143</u>	<u>32,683</u>	19.21 %
<b>Scholarships Fund</b>				
Restricted: Scholarships	<u>8,290</u>	<u>9,821</u>	<u>(1,531)</u>	(15.59)%
Total Fund Balance	<u>\$ 60,699,668</u>	<u>\$ 59,344,218</u>	<u>\$ 1,355,450</u>	2.28 %

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**A. General Fund**

The net change in the general fund - fund balance is an increase of \$6,599,475, compared to an increase of \$11,490,545 in 2020. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

The District's revenues and other financing sources increased by \$868,082 or 0.35%, as compared to the prior year. This increase is primarily attributable to increases in property taxes and STAR, miscellaneous revenues and federal sources, offset by decreases in state sources. The increases in miscellaneous revenue is due to the District receiving a larger BOCES refund than it did on the prior year as well as refunds on transportation expenditures from the prior year. The increase in property taxes is due to an increase in the tax levy in accordance with the 2020-2021 budget. The increase in federal sources is due to the ESSER and the GEER grants received through the CARES Act. The decrease in use of money and property is due to a decrease in interest earnings. The decrease in state sources is mostly due to the District receiving less in general state aid.

Expenditures and other financing uses increased by \$5,759,152 or 2.44% over the prior year. This increase was primarily due to increases in instruction, employee benefits and operating transfers out, offset by the decrease in debt service. The increase in instruction is due to increases in salaries, mostly due to an increase in substitute teachers and an increase in BOCES services utilized during the year. The increase in employee benefits is due to increases in pension contributions, life insurance and healthcare premiums. The increase in operating transfers out is due to the voters approving the use of the capital reserve to fund the gymnasium floor replacement project. The decrease in debt service is the result of final bond payments made on the 2012 bond in the prior year.

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

	Balance @ June 30, 2020	Use of Reserve	Interest	Funding	Balance @ June 30, 2021	Appropriated for June 30, 2022
Workers' compensation	\$ 1,517,394	\$	\$ 3,740	\$ 3,000,000	\$ 4,521,134	\$ 200,000
Unemployment insurance	161,379		398		161,777	
Retirement contribution						
TRS	1,917,416		4,726	1,954,561	3,876,703	
ERS	3,419,979		8,430	12,107,983	15,536,392	400,000
Liability	228,792		564		229,356	
EBALR	10,307,651		25,408		10,333,059	650,000
2017 Capital Reserve	6,139,200	(3,300,000)	21,243	5,000,000	7,860,443	
	<u>\$ 23,691,811</u>	<u>\$ (3,300,000)</u>	<u>\$ 64,509</u>	<u>\$ 22,062,544</u>	<u>\$ 42,518,864</u>	<u>\$ 1,250,000</u>

Additional detail regarding capital reserves can be found in Note 21 "Restricted for Capital Reserve."

**B. School Food Service Fund**

The net change in the school food service fund - fund balance is a decrease of \$83,849, which was the operating loss of the food service program.

**C. Debt Service Fund**

The net change in the debt service fund - fund balance is a decrease of \$41,229, as expenditures and other financing use of \$200,000 exceeded revenues and other financing sources of \$158,771. The District transferred \$200,000 to the general fund to offset debt service payments. Included in the revenues are premiums received on the BAN and interest earnings.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**D. Capital Projects Fund**

The net change in the capital projects fund – fund balance is a decrease of \$5,150,099 due to expenditures incurred during the year on capital projects.

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

	Balance @ June 30, 2020	Use of Reserve	Funding	Balance @ June 30, 2021
2010 Capital Reserve	\$ 3,475,000	\$ (1,529,884)	\$	\$ 1,945,116
2017 Capital Reserve	-		3,300,000	3,300,000
	<u>\$ 3,475,000</u>	<u>\$ (1,529,884)</u>	<u>\$ 3,300,000</u>	<u>\$ 5,245,116</u>

**E. Extraclassroom Activities Fund**

The net change in the extraclassroom activities fund – fund balance is an increase of \$32,683 as revenues of \$168,098 exceeded expenditures of \$135,415.

**F. Scholarships Fund**

The net change in the scholarships fund – fund balance is a decrease of \$1,531, as scholarship awards of \$2,031 exceeded contributions of \$500.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2020-2021 Budget**

The District's general fund adopted budget for the year ended June 30, 2021 was \$255,600,000. This amount was increased by encumbrances carried forward from the prior year in the amount of \$992,060 and a budget revision in the amount of \$3,300,000 for a total final budget of \$259,892,060.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$149,714,213 in estimated property taxes and STAR and estimated state sources of \$93,036,880.

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

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

Opening, Unassigned Fund Balance	\$ 22,191,887
Revenues Over Budget	299,680
Expenditures and Encumbrances Under Budget	16,805,486
Unused Appropriated Reserves	(1,250,000)
Allocation to Reserves	(22,127,053)
Appropriated to Fund the June 30, 2022 Budget	<u>(5,400,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 10,520,000</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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Opening, Unassigned Fund Balance

The \$22,191,887 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned.

Revenues Over Budget

The 2020-2021 budget for revenues and other sources was \$248,350,000. Actual revenues and other financing sources recognized for the year were \$248,649,680. The budget variance was a surplus of \$299,680, which impacts the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures was \$259,892,060. Actual expenditures as of June 30, 2021 were \$242,050,205 and outstanding encumbrances were \$1,036,369. Combined, the expenditures plus encumbrances for 2020-2021 were \$243,086,574. The final budget variance was \$16,805,486, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, provides additional information.

Unused Appropriated Reserves

In the 2020-2021 budget, \$1,250,000 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures this funding was not needed and, therefore, was returned to the reserves and is available for future use.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. of this Management's Discussion and Analysis details the allocation of interest earnings and funding transfers to reserves.

Appropriated Fund Balance

The District has chosen to use \$5,400,000 of the available June 30, 2021 unassigned fund balance to partially fund the 2021-2022 approved operating budget. As such, the June 30, 2021 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2021 was \$10,520,000. This amount equals 4.00% of the 2021-2022 budget.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

**A. Capital Assets**

At June 30, 2021, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital asset additions of \$10,000,440 in excess of depreciation expense of \$6,974,201 recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Land	\$ 2,012,335	\$ 2,012,335	\$ -
Construction in progress	42,525,905	43,236,716	(710,811)
Buildings & improvements	160,650,288	157,119,973	3,530,315
Furniture & equipment	4,993,913	4,756,919	236,994
Land improvements	686,943	717,202	(30,259)
Capital assets, net	<u>\$ 210,869,384</u>	<u>\$ 207,843,145</u>	<u>\$ 3,026,239</u>

The District is continuing to make significant capital expenditures resulting from a voter approved \$39,140,000 bond authorization for capital improvements to District facilities. As of June 30, 2021, the District has expended approximately 92% of this authorization and the construction is ongoing,

**B. Debt Administration**

At June 30, 2021, the District had total debt payable of \$46,625,000. The bonds were issued for school building improvements, the refunding of bonds originally issued for school building improvements and the Library. The installment purchase debt was issued for copier equipment. During the year, the District paid the remaining balance outstanding on the installment debt. A summary of the outstanding debt at June 30, 2021 and 2020 is as follows:

	Issue Date	Interest Rate	2021	2020	Increase (Decrease)
<b>Bonds Payable</b>					
	10/31/2012	5.00%	\$	\$ 1,545,000	\$ (1,545,000)
	12/18/2014	2.15-3.125%	12,560,000	13,345,000	(785,000)
	6/15/2016	2.00-2.125%	14,420,000	15,890,000	(1,470,000)
	8/30/2018	3.00-5.00%	16,830,000	17,895,000	(1,065,000)
	11/26/2019	5.00%	2,815,000	3,665,000	(850,000)
			<u>\$ 46,625,000</u>	<u>\$ 52,340,000</u>	<u>\$ (5,715,000)</u>
<b>Installment Purchase Debt</b>					
	Various	0.00%	<u>\$</u>	<u>\$ 405,071</u>	<u>\$ (405,071)</u>

The District's latest underlying, long-term credit rating from Standard & Poor's is AA+. The District's outstanding serial bonds at June 30, 2021 are approximately 9.11% of the District's debt limit.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**C. Other Long-Term Liabilities**

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, the amount due to the employees' retirement system is based on agreements with the State, while the net pension liabilities – proportionate share and total other postemployment benefits liability, are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Compensated absences payable	\$ 22,515,245	\$ 22,884,019	\$ (368,774)
Due to employees' retirement system		1,771,691	(1,771,691)
Net pension liabilities - proportionate share	16,231,845	17,612,863	(1,381,018)
Total OPEB liability	597,645,723	584,959,866	12,685,857
	\$ 636,392,813	\$ 627,228,439	\$ 9,164,374

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

**A. Subsequent Year's Budget**

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 18, 2021, for the year ending June 30, 2022, is \$263,000,000. This is an increase of \$7,400,000 or 2.90% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a \$3,577,961 increase over the prior year's estimate. The assigned, appropriated fund balance applied to the budget in the amount of \$5,400,000, is a decrease of \$600,000 from the prior year. Additionally, the District has elected to appropriate \$1,250,000 of reserves towards the next year's budget, which is the same as the previous year. A property tax increase of \$4,422,039 (2.95%), levy to levy, was needed to meet the increase in appropriations.

**B. Future Budgets**

The property tax cap, uncertainty in state aid and federal funding, as well as the continuing effect of the COVID-19 pandemic, will impact the District's future budgets.

**C. Tax Cap**

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2021-2022 is 2.95%. The District's 2021-2022 property tax levy increase of 2.95% was equal to the tax cap and did not require an override vote.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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**8. CONTACTING THE DISTRICT**

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

Ms. Janet Bryan  
Assistant Superintendent for District Operations  
Longwood Central School District  
35 Yaphank-Middle Island Road  
Middle Island, New York 11953

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Statement of Net Position**  
June 30, 2021

**ASSETS**

Cash	
Unrestricted	\$ 33,065,936
Restricted	50,005,320
Receivables	
Accounts receivable	1,351,487
Due from state and federal	9,349,775
Due from other governments	707,353
Inventory	113,866
Capital assets:	
Not being depreciated	44,538,240
Being depreciated, net of accumulated depreciation	<u>166,331,144</u>
Total Assets	<u>305,463,121</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pensions	70,092,113
Other postemployment benefits	<u>135,322,630</u>
	<u>205,414,743</u>

**LIABILITIES**

Payables	
Accounts payable	2,115,690
Accrued liabilities	6,434,249
Retainage payable	393,799
Due to other governments	1,900,038
Due to teachers' retirement system	10,417,657
Due to employees' retirement system	1,172,696
Compensated absences payable	1,461,656
Other liabilities	169,178
Notes payable - bond anticipation	10,190,000
Unearned credits - collections in advance	100,674
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	4,574,404
Compensated absences payable	889,203
Due and payable after one year	
Bonds payable, net	43,406,951
Compensated absences payable	21,626,042
Net pension liabilities - proportionate share	16,231,845
Total other postemployment benefits liability	<u>597,645,723</u>
Total Liabilities	<u>718,729,805</u>

**DEFERRED INFLOWS OF RESOURCES**

Pensions	27,627,783
Other postemployment benefits	<u>36,929,547</u>
Total Deferred Inflows of Resources	<u>64,557,330</u>

**NET POSITION (DEFICIT)**

Net investment in capital assets	<u>155,181,427</u>
Restricted:	
Workers' compensation	4,521,134
Unemployment insurance	161,777
Retirement contribution	
Teachers' retirement system	3,876,703
Employees' retirement system	15,536,392
Liability	229,356
Employee benefit accrued liability	10,333,059
Capital	13,105,559
Debt	1,106,007
Scholarships	8,290
	<u>48,878,277</u>
Unrestricted (deficit)	<u>(476,468,975)</u>
Total Net Position (Deficit)	<u>\$ (272,409,271)</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**

**Statement of Activities**

For the Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
<b>FUNCTIONS/PROGRAMS</b>					
General support	\$ 31,109,533	\$	\$	\$	\$ (31,109,533)
Instruction	251,643,247	961,218	8,374,457	192,697	(242,114,875)
Pupil transportation	15,621,233				(15,621,233)
Community services	431,355				(431,355)
Debt service - interest	1,578,590				(1,578,590)
Food service program	3,356,040	113,971	3,120,416		(121,653)
	<u>\$ 303,739,998</u>	<u>\$ 1,075,189</u>	<u>\$ 11,494,873</u>	<u>\$ 192,697</u>	<u>(290,977,239)</u>
<b>GENERAL REVENUES</b>					
Real property taxes					132,696,134
Other tax items					19,345,983
Use of money and property					223,160
Sale of property and compensation for loss					35,615
Miscellaneous					3,820,308
State sources					89,062,158
Medicaid reimbursement					493,068
					<u>245,676,426</u>
Total General Revenues					<u>245,676,426</u>
Change in Net Position (Deficit)					(45,300,813)
Total Net Position (Deficit) - Beginning of Year, as Restated					<u>(227,108,458)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (272,409,271)</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
<b>ASSETS</b>								
Cash								
Unrestricted	\$ 31,494,905	\$ 4,715	\$ 1,363,490	\$	\$	\$ 202,826	\$	\$ 33,065,936
Restricted	44,007,320			1,104,650	4,885,060		8,290	50,005,320
Receivables								
Accounts receivable	1,348,088	3,399						1,351,487
Due from other funds	3,687,159			1,357	3,300,000			6,988,516
Due from state and federal	4,535,631	3,840,380	781,067		192,697			9,349,775
Due from other governments	707,353							707,353
Inventory			113,866					113,866
Total Assets	<u>\$ 85,780,456</u>	<u>\$ 3,848,494</u>	<u>\$ 2,258,423</u>	<u>\$ 1,106,007</u>	<u>\$ 8,377,757</u>	<u>\$ 202,826</u>	<u>\$ 8,290</u>	<u>\$ 101,582,253</u>
<b>LIABILITIES</b>								
Payables								
Accounts payable	\$ 1,703,283	\$ 128,442	\$ 1,646	\$	\$ 282,319			\$ 2,115,690
Accrued liabilities	6,115,776	32,893	217,811					6,366,480
Due to other funds	3,300,000	3,687,159			1,357			6,988,516
Due to other governments	1,899,141		897					1,900,038
Due to teachers' retirement system	10,417,657							10,417,657
Due to employees' retirement system	1,172,696							1,172,696
Compensated absences payable	1,461,656							1,461,656
Other liabilities	169,178							169,178
Notes payable								
Bond anticipation					10,190,000			10,190,000
Unearned credits								
Collections in advance	65,836		34,838					100,674
Total Liabilities	<u>26,305,223</u>	<u>3,848,494</u>	<u>255,192</u>	<u>-</u>	<u>10,473,676</u>	<u>-</u>	<u>-</u>	<u>40,882,585</u>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable: Inventory			113,866					113,866
Restricted:								
Workers' compensation	4,521,134							4,521,134
Unemployment insurance	161,777							161,777
Retirement contribution								
Teachers' retirement system	3,876,703							3,876,703
Employees' retirement system	15,536,392							15,536,392
Liability	229,356							229,356
Employee benefit accrued liability	10,333,059							10,333,059
Capital	7,860,443				5,245,116			13,105,559
Unspent bond proceeds					33,278			33,278
Debt				1,106,007				1,106,007
Scholarships							8,290	8,290
Assigned:								
Appropriated fund balance	5,400,000							5,400,000
Unappropriated fund balance	1,036,369		1,889,365			202,826		3,128,560
Unassigned: Fund balance (deficit)	<u>10,520,000</u>				<u>(7,374,313)</u>			<u>3,145,687</u>
Total Fund Balances (Deficit)	<u>59,475,233</u>	<u>-</u>	<u>2,003,231</u>	<u>1,106,007</u>	<u>(2,095,919)</u>	<u>202,826</u>	<u>8,290</u>	<u>60,699,668</u>
Total Liabilities and Fund Balances	<u>\$ 85,780,456</u>	<u>\$ 3,848,494</u>	<u>\$ 2,258,423</u>	<u>\$ 1,106,007</u>	<u>\$ 8,377,757</u>	<u>\$ 202,826</u>	<u>\$ 8,290</u>	<u>\$ 101,582,253</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
June 30, 2021

Total Governmental Fund Balances (Deficit) \$ 60,699,668

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

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

Original cost of capital assets	\$ 331,069,818	
Less: Accumulated depreciation	<u>(120,200,434)</u>	
		210,869,384

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

Deferred outflows of resources	70,092,113	
Net pension liability - teachers' retirement system	(16,167,476)	
Net pension liability - employees' retirement system	(64,369)	
Deferred inflows of resources	<u>(27,627,783)</u>	
		26,232,485

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

Deferred outflows of resources	135,322,630	
Total other postemployment benefits liability	(597,645,723)	
Deferred inflows of resources	<u>(36,929,547)</u>	
		(499,252,640)

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

Accrued interest on bonds payable	(67,769)	
Retainage payable	(393,799)	
Bonds payable	(47,981,355)	
Compensated absences payable	<u>(22,515,245)</u>	
		(70,958,168)

Total Net Position (Deficit)		<u><u>\$ (272,409,271)</u></u>
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**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
For the Year Ended June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Total Governmental Funds
<b>REVENUES</b>								
Real property taxes	\$ 132,696,134	\$	\$	\$	\$	\$	\$	\$ 132,696,134
Other tax items	19,345,983							19,345,983
Charges for services	786,743							786,743
Use of money and property	196,703		462	25,995				223,160
Sale of property and compensation for loss	35,615							35,615
Miscellaneous	3,687,532		40			173,975	500	3,862,047
Interfund revenue	48,915							48,915
State sources	89,935,238	2,861,991	100,937		192,697			93,090,863
Medicaid reimbursement	493,068							493,068
Federal sources	1,223,749	4,288,717	3,019,479					8,531,945
Sales			113,931					113,931
<b>Total Revenues</b>	<b>248,449,680</b>	<b>7,150,708</b>	<b>3,234,849</b>	<b>25,995</b>	<b>192,697</b>	<b>173,975</b>	<b>500</b>	<b>259,228,404</b>
<b>EXPENDITURES</b>								
General support	20,398,347							20,398,347
Instruction	135,993,113	6,725,856				141,292	2,031	142,862,292
Pupil transportation	15,014,230	227,958						15,242,188
Employee benefits	58,233,566	771,894						59,005,460
Debt service								
Principal	6,120,071							6,120,071
Interest	1,965,878							1,965,878
Food service program			3,318,698					3,318,698
Capital outlay					9,092,796			9,092,796
<b>Total Expenditures</b>	<b>237,725,205</b>	<b>7,725,708</b>	<b>3,318,698</b>	<b>-</b>	<b>9,092,796</b>	<b>141,292</b>	<b>2,031</b>	<b>258,005,730</b>
Excess (Deficiency) of Revenues Over Expenditures	10,724,475	(575,000)	(83,849)	25,995	(8,900,099)	32,683	(1,531)	1,222,674
<b>OTHER FINANCING SOURCES AND (USES)</b>								
Premium on obligation				132,776				132,776
Operating transfers in	200,000	575,000			3,750,000			4,525,000
Operating transfers (out)	(4,325,000)			(200,000)				(4,525,000)
<b>Total Other Sources and (Uses)</b>	<b>(4,125,000)</b>	<b>575,000</b>	<b>-</b>	<b>(67,224)</b>	<b>3,750,000</b>	<b>-</b>	<b>-</b>	<b>132,776</b>
<b>Net Change in Fund Balances</b>	<b>6,599,475</b>	<b>-</b>	<b>(83,849)</b>	<b>(41,229)</b>	<b>(5,150,099)</b>	<b>32,683</b>	<b>(1,531)</b>	<b>1,355,450</b>
<b>Fund Balances (Deficit) -</b>								
Beginning of Year, as Restated	52,875,758		2,087,080	1,147,236	3,054,180	170,143	9,821	59,344,218
End of Year	\$ 59,475,233	\$ -	\$ 2,003,231	\$ 1,106,007	\$ (2,095,919)	\$ 202,826	\$ 8,290	\$ 60,699,668

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
For the Year Ended June 30, 2021

Net Change in Fund Balances \$ 1,355,450

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

Long-Term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.

\$ (873,080)

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

Decrease in due to employees' retirement system	1,771,691	
Decrease in retainage payable	213,315	
Decrease in compensated absences	368,774	
	1,480,700	1,480,700

Capital Related Differences

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

Capital outlays and other additions	10,000,440	
Depreciation expense	(6,974,201)	
	3,026,239	3,026,239

Long-Term Debt Transactions Differences

Amortization of premiums on advance refunding of bonds does not affect the governmental funds, but is recorded in the Statement of Activities.

315,191

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

Repayment of bond principal	5,715,000	
Repayment of installment purchase debt	405,071	

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2020 to June 30, 2021.

	72,097	6,507,359
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Pension and Other Postemployment Benefits Differences

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

Teachers' retirement system	(12,043,585)	
Employees' retirement system	1,338,893	
Other postemployment benefits	(46,965,869)	
	(57,670,561)	(57,670,561)

Change in Net Position (Deficit) of Governmental Activities \$ (45,300,813)

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position - Fiduciary Fund**  
June 30, 2021

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

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

	Custodial
<b>ADDITIONS</b>	
Real property taxes collections for the Library	\$ 7,757,055
PILOT collections for the Library	88,681
Total Additions	7,845,736
<b>DEDUCTIONS</b>	
Payments of real property taxes and PILOT to the Library	7,845,736
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

**B. Joint Venture**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**C. Basis of Presentation**

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

**Custodial Fund** - is used to account for real property taxes and PILOT collected on behalf of and disbursed to the Longwood Public Library.

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

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

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

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**E. Real Property Taxes**

Calendar

Real property taxes are levied annually by the Board no later than November 1<sup>st</sup> and become a lien on December 1<sup>st</sup>. Taxes are collected by the town of Brookhaven and remitted to the District from December to June.

The District also levies the real property taxes for the Longwood Public Library (Library), which are collected by the town and included in the amount remitted to the District. The District remits the Library's share of the tax levy to the Library in monthly installments. These pass through amounts are not included in the District's real property tax revenues, however are recorded in the custodial fund.

Enforcement

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

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

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

PILOT payments collected on behalf of the Library are remitted to the Library. These pass-through amounts are not included in the District's other tax revenues.

**G. Restricted Resources**

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

**H. Interfund Transactions**

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

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds.

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

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**I. Use of Estimates**

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

**J. Cash and Cash Equivalents**

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

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

**K. Receivables**

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

**L. Inventory**

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

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

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

**M. Capital Assets**

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 15,000	50 years
Land improvements	15,000	20 years
Furniture and equipment	1,000	5-20 years

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**N. Deferred Outflows of Resources**

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

**O. Short-Term Debt**

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve month period thereafter.

**P. Collections in Advance**

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

**Q. Employee Benefits - Compensated Absences**

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

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

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

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

**R. Other Benefits**

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

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

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

In addition to providing these benefits, the District provides individual, family or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75.

**S. Deferred Inflows of Resources**

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

**T. Equity Classifications**

District-Wide Statements

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

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

*Restricted* – Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors,

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

**Fund Statements**

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

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

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

*Workers' Compensation Reserve*

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

*Unemployment Insurance Reserve*

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

*Retirement Contribution Reserve*

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. The Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

*Liability Reserve*

Liability Reserve (Education Law §1709(8) (c)) is used to pay for liability claims incurred. A separate fund for liability claims is required, and this reserve may not exceed 3% of the annual budget or \$15,000, whichever is greater. This reserve is accounted for in the general fund.

*Employee Benefit Accrued Liability Reserve*

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

*Capital Reserve*

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

*Restricted – Unspent Bond Proceeds*

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

*Restricted for Debt*

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

*Restricted for Scholarships*

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

*Assigned* – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

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

**Fund Balance Classification**

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

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

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

**2. CHANGES IN ACCOUNTING PRINCIPLES**

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

**3. FUTURE ACCOUNTING STANDARDS**

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

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

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

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

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

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

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

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets**

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

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

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

Replacement of gymnasium floor funded by capital reserves as approved by the voters May 18, 2021	<u>\$ 3,300,000</u>
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Budgets are adopted annually on a basis consistent with GAAP.

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

**B. Encumbrances**

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

**C. Capital Projects Fund**

The capital projects fund has an unassigned fund balance deficit of \$7,341,035. This will be funded when the District obtains permanent financing for its current construction project.

**6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

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

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

**7. PARTICIPATION IN BOCES**

During the year ended June 30, 2021, the District was billed \$16,688,453 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,293,409. Financial statements for the BOCES are available from the BOCES administrative offices at 201 Sunrise Highway, Patchogue, New York 11772.

**8. DUE FROM STATE AND FEDERAL**

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

General Fund	
New York State - general aid	\$ 57,809
New York State - excess cost aid	2,866,590
BOCES aid	945,111
Federal - CARES Act: GEER	68,940
Federal - CARES Act: ESSER	425,435
Federal - Medicaid	171,746
	<u>4,535,631</u>
Special Aid Fund	
Federal and state grants	3,840,380
School Food Service Fund	
Federal and state food service program reimbursements	781,067
Capital Projects Fund	
New York State - Smart Schools Bond Act	192,697
	<u>\$ 9,349,775</u>

District management expects these amounts to be fully collectible.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**9. DUE FROM OTHER GOVERNMENTS**

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

General Fund		
Other districts - non-resident tuition	\$	137,363
Other districts - homeless		563,784
Other Miscellaneous		<u>6,206</u>
	<u>\$</u>	<u>707,353</u>

District management expects these amounts to be fully collectible.

**10. CAPITAL ASSETS**

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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,012,335	\$	\$	\$ 2,012,335
Construction in progress	<u>43,236,716</u>	<u>7,815,306</u>	<u>(8,526,117)</u>	<u>42,525,905</u>
Total capital assets not being depreciated	<u>45,249,051</u>	<u>7,815,306</u>	<u>(8,526,117)</u>	<u>44,538,240</u>
Capital assets being depreciated:				
Buildings & improvements	260,952,442	9,490,573	(1,592,307)	268,850,708
Furniture & equipment	15,366,917	1,195,614	(127,098)	16,435,433
Land improvements	<u>1,220,373</u>	<u>25,064</u>	<u></u>	<u>1,245,437</u>
Total capital assets being depreciated	<u>277,539,732</u>	<u>10,711,251</u>	<u>(1,719,405)</u>	<u>286,531,578</u>
Less accumulated depreciation for:				
Buildings & improvements	103,832,469	5,960,258	(1,592,307)	108,200,420
Furniture & equipment	10,609,998	958,620	(127,098)	11,441,520
Land improvements	503,171	55,323	<u></u>	558,494
Total accumulated depreciation	<u>114,945,638</u>	<u>6,974,201</u>	<u>(1,719,405)</u>	<u>120,200,434</u>
Total capital assets, being depreciated, net	<u>162,594,094</u>	<u>3,737,050</u>	<u>-</u>	<u>166,331,144</u>
Capital assets, net	<u>\$ 207,843,145</u>	<u>\$ 11,552,356</u>	<u>\$ (8,526,117)</u>	<u>\$ 210,869,384</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Depreciation expense was charged to governmental functions as follows:

General support	\$ 924,561
Instruction	5,966,539
Pupil transportation	15,598
Food service program	<u>67,503</u>
 Total depreciation expense	 <u><u>\$ 6,974,201</u></u>

**11. INTERFUND TRANSACTIONS**

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 3,687,159	\$ 3,300,000	\$ 200,000	\$ 4,325,000
Special Aid Fund		3,687,159	575,000	
Debt Service Fund	1,357			200,000
Capital Projects Fund	<u>3,300,000</u>	<u>1,357</u>	<u>3,750,000</u>	<u>                    </u>
 Total Governmental Funds	 <u><u>\$ 6,988,516</u></u>	 <u><u>\$ 6,988,516</u></u>	 <u><u>\$ 4,525,000</u></u>	 <u><u>\$ 4,525,000</u></u>

The District typically transfers from the general fund to the special aid fund for the District's share of the costs for the summer program for students with disabilities and the state-supported Section 4201 schools, and the capital projects fund in accordance with the general fund budget. The transfer from the debt service fund to the general fund of \$200,000 was to provide funding for the current year's debt service payments. The transfer to the capital projects fund in the amount of \$450,000 was to provide fund for capital improvements. In addition, the transfer to the capital reserve fund in the amount of \$3,300,000 was a voter approved use of the capital reserve for the gymnasium floor replacement project and was a general fund budget revision.

**12. SHORT-TERM DEBT**

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

	Maturity	Stated Interest Rate	Balance June 30, 2020	Issued	Redeemed	Balance June 30, 2021
TAN	6/25/2021	2.00%	\$ -	\$ 40,000,000	\$ (40,000,000)	\$ -
BAN	7/7/2021	1.75%	<u>-</u>	<u>10,190,000</u>	<u>                    </u>	<u>10,190,000</u>
			<u><u>\$ -</u></u>	<u><u>\$ 50,190,000</u></u>	<u><u>\$ (40,000,000)</u></u>	<u><u>\$ 10,190,000</u></u>

The TAN was issued to provide cash flow for the District until the District receives the real property taxes from the Town. The BAN was issued to provide cash for the District's capital projects.

Interest on short-term debt for the year was \$537,778. The District received premiums of \$456,000 for the TANs, which offset the interest on the TANs. The effective average interest rate on the TANs was 0.3041%.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**13. LONG-TERM LIABILITIES**

**A. Changes**

Long-term liability balances and activity, excluding pensions, due to employees' retirement system and other postemployment benefits liabilities, for the year are summarized below:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
<u>Long-term debt:</u>					
Bonds payable	\$ 52,340,000	\$	\$ (5,715,000)	\$ 46,625,000	\$ 4,305,000
Add: Premium on obligations	1,378,065		(189,289)	1,188,776	177,406
Add: Premium on refunding	293,481		(125,902)	167,579	91,998
	<u>54,011,546</u>	-	<u>(6,030,191)</u>	<u>47,981,355</u>	<u>4,574,404</u>
Installment purchase debt	405,071		(405,071)	-	-
	<u>54,416,617</u>		<u>(6,435,262)</u>	<u>47,981,355</u>	<u>4,574,404</u>
<u>Other long-term liabilities:</u>					
Compensated absences	22,884,019		(368,774)	22,515,245	889,203
	<u>\$ 77,300,636</u>	<u>\$</u>	<u>\$ (6,804,036)</u>	<u>\$ 70,496,600</u>	<u>\$ 5,463,607</u>

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

**B. Bonds Payable**

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Serial bonds - Library	12/18/2014	6/15/2034	2.15-3.125%	12,560,000
Serial bonds - Energy Bond	6/15/2016	6/15/2030	2.00-2.125%	14,420,000
Serial bonds	8/30/2018	6/21/2033	3.00-5.00%	16,830,000
Serial bonds - Refunding	11/26/2019	6/1/2024	5.00%	<u>2,815,000</u>
				<u>\$ 46,625,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 4,305,000	\$ 1,485,713	\$ 5,790,713
2023	4,450,000	1,336,294	5,786,294
2024	4,560,000	1,179,994	5,739,994
2025	3,685,000	1,019,419	4,704,419
2026	3,800,000	904,119	4,704,119
2027 - 2031	19,115,000	2,674,100	21,789,100
2032 - 2034	<u>6,710,000</u>	<u>361,831</u>	<u>7,071,831</u>
Total	<u>\$ 46,625,000</u>	<u>\$ 8,961,470</u>	<u>\$ 55,586,470</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**C. Refunding of Bonds**

The District refunded serial bonds on December 17, 2019 and received a premium of \$452,024. This premium is being amortized as a component of interest expense on the weighted average basis as follows:

<u>Year Ending June 30,</u>	<u>Amortization of Premium</u>
2022	\$ 91,998
2023	56,442
2024	<u>19,139</u>
Total	<u>\$ 167,579</u>

**D. Premiums on Obligations**

The District issued serial bonds on August 30, 2018 and received premiums on obligations of \$1,791,068. This premium is being amortized as a component of interest expense over the life of these serial bonds in the district-wide statements as follows:

<u>Year Ending June 30,</u>	<u>Amortization of Premium</u>
2022	\$ 177,406
2023	164,950
2024	152,113
2025	138,894
2026	125,048
2027 - 2031	393,351
2032 - 2033	<u>37,014</u>
Total	<u>\$ 1,188,776</u>

**E. Installment Purchase Debt**

The District paid the remaining balance of \$405,071 on the installment debt during 2020-2021.

**F. Interest Expense**

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

Interest paid	\$ 1,884,100
Less interest accrued in the prior year	(139,866)
Plus interest accrued in the current year	67,769
Less amortization of refunding premium	(125,902)
Less amortization of premium on obligations	<u>(189,289)</u>
Total interest expense on long-term debt	<u>\$ 1,496,812</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**14. LONGWOOD PUBLIC LIBRARY BOND OBLIGATION**

On October 9, 2012, the voters of the District authorized the Board of Education to finance the expansion and renovation of the Longwood Public Library (the Library) in the amount of \$17,896,347. On December 18, 2014, the District issued serial bonds in the amount of \$17,595,000 in connection with this authorization. Although the bond issue is an obligation of the District, the Library Board has committed to raise funds through its budget and tax levy sufficient to transfer to the District for the ensuing debt service payments. The District received \$1,152,006 from the Library during the year ended June 30, 2021, which is included in miscellaneous revenue.

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

**A. General Information**

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

**B. Provisions and Administration**

Teachers' Retirement System

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

Employees' Retirement System

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**C. Funding Policies**

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30<sup>th</sup>, and employer contributions are deducted from state aid in the subsequent months of September, October and November. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by the prior February 1<sup>st</sup>. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 8.86% of covered payroll for the TRS' fiscal year ended June 30, 2020. The District's average contribution rate was 14.00% of covered payroll for the ERS' fiscal year ended March 31, 2021.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2021, was \$9,658,600 for the TRS at the contribution rate of 9.53% and \$3,070,529 for the ERS at an average contribution rate of 14.07%.

**D. Pension Stabilization**

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. During the year ended June 30, 2012, the District opted to participate in this program. This law requires employers to make payments on a current basis, while amortizing existing unpaid amounts. In the current fiscal year \$203,548 was charged to expenditures in the governmental funds and represents the final payment.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. During the year ended June 30, 2013, the District opted to participate in this program. This law requires employers to make payments on a current basis, while amortizing existing unpaid amounts. In the current fiscal year \$522,915 was charged to expenditures in the governmental funds and represents the final payment.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. During the year ended June 30, 2014, the District opted to participate in this program. This law requires employers to make payments on a current basis, while amortizing existing unpaid amounts. In the current fiscal year \$600,090 was charged to expenditures in the governmental funds and represents the final payment.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. During the year ended June 30, 2015, the District opted to participate in this program. This law requires employers to make payments on a current basis, while amortizing existing unpaid amounts. In the current fiscal year \$445,138 was charged to expenditures in the governmental funds and represents the final payment.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2020	March 31, 2021
District's proportionate share of the net pension liability	\$ (16,167,476)	\$ (64,369)
District's portion of the Plan's total net pension liability	0.585085%	0.0646448%
Change in proportion since the prior measurement date	0.005015	(0.0018676)

For the year ended June 30, 2021, the District recognized pension expense of \$18,557,363 for TRS and \$2,057,176 for ERS. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 14,165,944	\$ 786,125	\$ 828,552	\$
Changes of assumptions	20,448,095	11,835,456	7,288,677	223,220
Net difference between projected and actual earnings on pension plan investments	10,558,779			18,490,682
Changes in proportion and differences between the District's contributions and proportionate share of contributions	252,006	1,214,412	541,878	254,774
District contributions subsequent to the measurement date	<u>9,658,600</u>	<u>1,172,696</u>		
Total	<u>\$ 55,083,424</u>	<u>\$ 15,008,689</u>	<u>\$ 8,659,107</u>	<u>\$ 18,968,676</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

Year Ending June 30,	TRS	ERS
2022	\$ 6,238,255	\$ (630,846)
2023	12,653,910	(155,013)
2024	10,452,545	(840,414)
2025	6,471,920	(3,506,410)
2026	245,165	
Thereafter	703,922	
	\$ 36,765,717	\$ (5,132,683)

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Inflation	2.20%	2.70%
Salary increases	1.90-4.72%	4.40%
Investment rate of return (net of investment expense, including inflation)	7.10%	5.90%
Cost of living adjustments	1.30%	1.40%

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

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

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

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for TRS and 5.90% for ERS (the discount rate used by the ERS at the prior year's measurement date of March 31, 2020, was 6.80%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
District's proportionate share of the net pension asset (liability)	<u>\$ (102,124,377)</u>	<u>\$ (16,167,476)</u>	<u>\$ 55,972,146</u>
ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset (liability)	<u>\$ (17,866,455)</u>	<u>\$ (64,369)</u>	<u>\$ 16,353,320</u>

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

For the TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the system in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employer and employee contributions for the fiscal year ended June 30, 2021, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2021 amounted to \$9,658,600 of employer contributions and \$759,057 of employee contributions.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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For the ERS, employer contributions are paid annually based on the system’s fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021, represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$1,172,696 of employer contributions. Employee contributions are remitted monthly.

**16. PENSION PLANS - OTHER**

**A. Tax Sheltered Annuities**

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. Contributions made by employees for the year ended June 30, 2021, totaled \$4,522,863. Employer contributions for the year ended June 30, 2021, totaled \$177,354.

**B. Deferred Compensation Plan**

The District has established a deferred compensation plan in accordance with Internal Revenue Code 457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2021 totaled \$943,881.

**17. POSTEMPLOYMENT HEALTHCARE BENEFITS**

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

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

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

*Employees Covered by Benefit Terms* – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	880
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,267
	2,147

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**B. Total OPEB Liability**

The District's total OPEB liability of \$597,645,723 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

Inflation	2.40%
Salary increases	3.20% varies by pension retirement system membership
Discount rate	2.16%
Healthcare cost trend rates	5.30% for 2021, decreasing to an ultimate rate of 3.94% by 2075
Retirees' share of benefit-related costs	40-60% of projected health insurance premiums for retirees

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

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS Group) projected fully generationally using MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation were based on NYS ERS assumptions first adopted on April 1, 2015 and NYS TRS assumptions first adopted on June 30, 2015.

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

Balance at June 30, 2020	<u>\$ 584,959,866</u>
Changes for the year	
Service cost	25,595,826
Interest	13,366,059
Changes of benefit terms	-
Differences between expected and actual experience	(20,151,392)
Changes in assumptions or other inputs	5,451,886
Benefit payments	<u>(11,576,522)</u>
	<u>12,685,857</u>
Balance at June 30, 2021	<u><u>\$ 597,645,723</u></u>

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

Healthcare trend rate from 2019 to 2021 has been updated based on known premium rate increase.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

OPEB	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	<u>\$ (722,535,963)</u>	<u>\$ (597,645,723)</u>	<u>\$ (500,398,847)</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30% to 2.94%) or 1 percentage point higher (6.30% to 4.94%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.30% decreasing to 2.94%	Healthcare Cost Trend Rates 5.30% decreasing to 3.94%	1% Increase 6.30% decreasing to 4.94%
Total OPEB liability	<u>\$ (478,135,385)</u>	<u>\$ (597,645,723)</u>	<u>\$ (759,511,876)</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$58,542,391. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$	\$ 26,712,464
Changes of assumptions or other inputs	<u>135,322,630</u>	<u>10,217,083</u>
Total	<u>\$ 135,322,630</u>	<u>\$ 36,929,547</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

Year Ending June 30,	Amount
2022	\$ 19,580,506
2023	19,580,506
2024	19,580,506
2025	19,580,506
2026	21,451,701
Thereafter	(1,380,642)
	\$ 98,393,083

**18. RISK MANAGEMENT**

**A. General Information**

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

**B. Public Entity Risk Pool**

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District participates in the New York State Public Schools Statewide Workers' Compensation Trust Plan (the Workers' Compensation Plan), a risk sharing pool, to insure workers' compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Workers' Compensation Plan's total liability for unbilled and opened claims at June 30, 2021, discounted at 2.0% was \$24,245,180. If the District leaves the plan or if the plan is terminated, the District will be liable for the District's open claims at that time. At June 30, 2021, the District's open claims, discounted at 2.0% were \$3,997,060.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**19. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES**

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

Workers' compensation	\$ 200,000
Retirement contribution	400,000
Employee benefit accrued liability	<u>650,000</u>
	<u>\$ 1,250,000</u>

**20. ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$5,400,000 has been appropriated to reduce taxes for the year ending June 30, 2022.

**21. RESTRICTED FOR CAPITAL RESERVE**

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

	Capital Reserve		
	I	II	
Date Created	May 2010	May 2017	
Number of Years to Fund	15	15	
Maximum Funding	<u>\$ 12,000,000</u>	<u>\$ 20,000,000</u>	<u>Total</u>
<b>General Fund</b>			
Funding Provided Since Inception	\$ 11,896,779	\$ 11,000,000	\$ 22,896,779
Interest Earnings Since Inception	168,290	160,443	328,733
Use of Reserve Since Inception	<u>(12,065,069)</u>	<u>(3,300,000)</u>	<u>(15,365,069)</u>
Total General Fund	<u>-</u>	<u>7,860,443</u>	<u>7,860,443</u>
<b>Capital Projects Fund</b>			
Funding Provided Since Inception	12,065,069	3,300,000	15,365,069
Use of Reserve Since Inception	<u>(10,119,953)</u>	<u>                    </u>	<u>(10,119,953)</u>
Total Capital Projects Fund	<u>1,945,116</u>	<u>3,300,000</u>	<u>5,245,116</u>
Balance as of June 30, 2021	<u>\$ 1,945,116</u>	<u>\$ 11,160,443</u>	<u>\$ 13,105,559</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**22. RESTATEMENT OF FUND BALANCE AND NET POSITION**

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, which resulted in an increase of \$179,964 in fund balance of the governmental funds, as well as the Statement of Net Position. The District's fund balance and net position have been restated as follows:

	General Fund	Extraclassroom Activities Fund	Scholarships Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Reported	\$ 52,875,758	\$	\$	\$ (227,288,422)
<i>Assets</i>				
Cash	173,961	170,143	9,821	353,925
Due from fiduciary fund	(42)			(42)
	<u>173,919</u>	<u>170,143</u>	<u>9,821</u>	<u>353,883</u>
<i>Liabilities</i>				
Other liabilities	<u>173,919</u>			<u>173,919</u>
<i>Fund Balance/Net Position</i>				
Restricted			9,821	9,821
Assigned, unappropriated		170,143		
Unrestricted				170,143
	<u>-</u>	<u>170,143</u>	<u>9,821</u>	<u>179,964</u>
Fund Balance/Net Position (Deficit)				
Beginning of Year, as Restated	<u>\$ 52,875,758</u>	<u>\$ 170,143</u>	<u>\$ 9,821</u>	<u>\$ (227,108,458)</u>

**23. TAX ABATEMENTS**

The Town of Brookhaven Industrial Development Agency, enters into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced by these abatements. The District received payment in lieu of taxes (PILOT) payments totaling \$2,320,486.

**24. COMMITMENTS AND CONTINGENCIES**

**A. Encumbrances**

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

Restricted Fund Balance:	
Capital Projects Fund	
Capital projects	<u>\$ 1,471,923</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	475,463
Instruction	534,031
Pupil Transportation	26,875
	<u>1,036,369</u>
School Food Service Fund	
Equipment	<u>46,644</u>
	<u>\$ 2,554,936</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**B. Grants**

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

**C. Litigation**

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes that the outcome of any matters will not have a material effect on these financial statements. A lawsuit has also been commenced against the District under the Child Victim's Act. The District denies all allegations and liability in the lawsuit. The matter is being handled by the District's insurer; District management believes that any potential monetary loss will be sufficiently covered by insurance.

**25. SUBSEQUENT EVENTS**

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

**A. Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)**

In July 2021, the District was awarded CRSSA funding of \$8,127,667 through the ESSER and \$810,984 through the 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 expended.

**B. Issuance of BANs**

On July 6, 2021, the District issued bond anticipation notes in the amount of \$10,190,000, which are due December 15, 2021, and bear interest at an effective rate of 0.1577%.

**C. Issuance of TANs**

On September 30, 2021, the District issued tax anticipation notes in the amount of \$40,000,000, which are due June 24, 2022, and bear interest at an effective rate of 0.1499%.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 131,214,213	\$ 132,695,424	\$ 132,696,134	\$ 710
Other tax items	19,807,000	18,325,789	19,345,983	1,020,194
Charges for services	875,000	875,000	786,743	(88,257)
Use of money and property	665,500	665,500	196,703	(468,797)
Forfeiture	1,000	1,000		(1,000)
Sale of property and compensation for loss	10,500	10,500	35,615	25,115
Miscellaneous	2,039,907	2,039,907	3,687,532	1,647,625
Interfund revenues	50,000	50,000	48,915	(1,085)
<b>Total Local Sources</b>	<b>154,663,120</b>	<b>154,663,120</b>	<b>156,797,625</b>	<b>2,134,505</b>
State Sources	93,036,880	93,036,880	89,935,238	(3,101,642)
Medicaid Reimbursement	450,000	450,000	493,068	43,068
Federal Sources			1,223,749	1,223,749
<b>Total Revenues</b>	<b>248,150,000</b>	<b>248,150,000</b>	<b>248,449,680</b>	<b>299,680</b>
<b>OTHER SOURCES</b>				
Operating Transfers In	200,000	200,000	200,000	-
<b>Total Revenues and Other Sources</b>	<b>248,350,000</b>	<b>248,350,000</b>	<b>248,649,680</b>	<b>\$ 299,680</b>
<b>APPROPRIATED FUND BALANCE</b>				
Prior Years' Surplus	6,000,000	6,000,000		
Prior Year's Encumbrances	992,060	992,060		
Appropriated Reserves	1,250,000	4,550,000		
<b>Total Appropriated Fund Balance</b>	<b>8,242,060</b>	<b>11,542,060</b>		
<b>Total Revenues, Other Sources and Appropriated Fund Balance</b>	<b>\$ 256,592,060</b>	<b>\$ 259,892,060</b>		

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund (Continued)**  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>EXPENDITURES</b>					
General Support					
Board of education	\$ 214,045	\$ 218,646	\$ 150,769	\$	\$ 67,877
Central administration	455,196	468,157	432,622		35,535
Finance	1,465,131	1,434,836	1,340,151	1,840	92,845
Staff	1,582,064	1,553,906	1,424,089		129,817
Central services	17,860,580	17,155,730	14,740,282	473,623	1,941,825
Special items	2,787,097	2,480,525	2,310,434		170,091
Total General Support	<u>24,364,113</u>	<u>23,311,800</u>	<u>20,398,347</u>	<u>475,463</u>	<u>2,437,990</u>
Instruction					
Administration & improvement	11,096,314	11,119,996	10,385,921	8,737	725,338
Teaching - regular school	69,476,225	69,674,967	65,187,623	312,962	4,174,382
Programs for students with disabilities	46,901,504	46,910,614	43,935,457	64,974	2,910,183
Occupational education	4,827,919	4,796,359	4,590,941	2,555	202,863
Teaching - special schools	118,563	118,563	10,733		107,830
Instructional media	3,387,275	3,386,928	3,101,694	22,711	262,523
Pupil services	9,603,527	9,813,539	8,780,744	122,092	910,703
Total Instruction	<u>145,411,327</u>	<u>145,820,966</u>	<u>135,993,113</u>	<u>534,031</u>	<u>9,293,822</u>
Pupil Transportation	<u>16,639,569</u>	<u>16,715,341</u>	<u>15,014,230</u>	<u>26,875</u>	<u>1,674,236</u>
Employee Benefits	<u>58,592,845</u>	<u>59,856,532</u>	<u>58,233,566</u>		<u>1,622,966</u>
Debt Service					
Principal	7,539,348	7,274,082	6,120,071		1,154,011
Interest	2,934,858	2,503,339	1,965,878		537,461
Total Debt Service	<u>10,474,206</u>	<u>9,777,421</u>	<u>8,085,949</u>	<u>-</u>	<u>1,691,472</u>
Total Expenditures	<u>255,482,060</u>	<u>255,482,060</u>	<u>237,725,205</u>	<u>1,036,369</u>	<u>16,720,486</u>
<b>OTHER USES</b>					
Operating Transfers Out	<u>1,110,000</u>	<u>4,410,000</u>	<u>4,325,000</u>		<u>85,000</u>
Total Expenditures and Other Uses	<u>\$ 256,592,060</u>	<u>\$ 259,892,060</u>	<u>242,050,205</u>	<u>\$ 1,036,369</u>	<u>\$ 16,805,486</u>
Net Change in Fund Balance			6,599,475		
Fund Balance - Beginning of Year			<u>52,875,758</u>		
Fund Balance - End of Year			<u>\$ 59,475,233</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.

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)**  
Last Seven Fiscal Years

***Teachers' Retirement System***

	<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 asset (liability)	0.585085%	0.580070%	0.579972%	0.585477%	0.585298%	0.572562%	0.587203%
District's proportionate share of the net pension asset (liability)	\$ (16,167,476)	\$ 15,070,251	\$ 10,487,417	\$ 4,450,205	\$ (6,268,784)	\$ 59,470,918	\$ 63,635,447
District's covered payroll	\$ 99,307,434	\$ 97,713,996	\$ 94,907,485	\$ 93,861,293	\$ 90,317,337	\$ 86,582,656	\$ 86,628,482
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(16.28)%	15.42 %	11.05 %	4.74 %	(6.94)%	68.69 %	73.46 %
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

***Employees' Retirement System***

	<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	0.0646448%	0.0665124%	0.0662103%	0.0701685%	0.0623527%	0.0655229%	0.0629174%
District's proportionate share of the net pension liability	\$ (64,369)	\$ (17,612,863)	\$ (4,691,205)	\$ (2,264,648)	\$ (5,858,796)	\$ (10,516,602)	\$ (2,125,503)
District's covered payroll	\$ 22,636,531	\$ 22,636,531	\$ 21,845,450	\$ 21,845,450	\$ 14,889,277	\$ 19,744,594	\$ 20,067,152
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.28 %	77.81 %	21.47 %	10.37 %	39.35 %	53.26 %	10.59 %
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount Rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of District Pension Contributions**  
 Last Ten Fiscal Years

*Teachers' Retirement System*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 9,658,600	\$ 8,798,639	\$ 9,258,146	\$ 9,233,714	\$ 10,857,017	\$ 12,123,473	\$ 14,928,420	\$ 10,692,401	\$ 9,753,970	\$ 8,108,578
Contributions in relation to the contractually required contribution	9,658,600	8,798,639	9,258,146	9,233,714	10,857,017	12,123,473	14,928,420	10,692,401	9,753,970	8,108,578
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 101,349,423	\$ 99,307,434	\$ 97,713,996	\$ 94,907,485	\$ 93,861,293	\$ 90,317,337	\$ 86,582,656	\$ 86,628,482	\$ 87,337,725	\$ 85,424,259
Contributions as a percentage of covered payroll	10%	9%	9%	10%	12%	13%	17%	12%	11%	9%

*Employees' Retirement System*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 3,070,529	\$ 3,144,099	\$ 3,149,200	\$ 3,614,569	\$ 2,934,052	\$ 4,036,480	\$ 2,906,606	\$ 3,310,623	\$ 2,847,877	\$ 2,363,090
Contributions in relation to the contractually required contribution	3,070,529	3,144,099	3,149,200	3,614,569	2,934,052	4,036,480	2,906,606	3,310,623	2,847,877	2,363,090
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 21,829,546	\$ 23,379,294	\$ 22,852,824	\$ 22,023,662	\$ 18,979,475	\$ 19,943,420	\$ 20,038,922	\$ 19,988,857	\$ 20,665,772	\$ 20,311,520
Contributions as a percentage of covered payroll	14%	13%	14%	16%	15%	20%	15%	17%	14%	12%

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 25,595,826	\$ 12,658,476	\$ 10,876,046	\$ 11,480,882
Interest	13,366,059	15,027,081	14,891,653	13,714,618
Changes in benefit terms	-	1,299,787	-	-
Differences between expected and actual experience	(20,151,392)	(13,215,778)	-	-
Changes of assumptions or other inputs	5,451,886	159,626,264	26,177,746	(19,887,707)
Benefit payments	<u>(11,576,522)</u>	<u>(11,698,044)</u>	<u>(9,122,491)</u>	<u>(9,958,550)</u>
Net change in total OPEB liability	12,685,857	163,697,786	42,822,954	(4,650,757)
Total OPEB liability, beginning	<u>584,959,866</u>	<u>421,262,080</u>	<u>378,439,126</u>	<u>383,089,883</u>
Total OPEB liability, ending	<u><u>\$ 597,645,723</u></u>	<u><u>\$ 584,959,866</u></u>	<u><u>\$ 421,262,080</u></u>	<u><u>\$ 378,439,126</u></u>
Covered employee payroll	\$ 111,568,363	\$ 112,530,863	\$ 113,801,925	\$ 103,370,946
Total OPEB liability as a percentage of covered employee payroll	535.68%	519.82%	370.17%	366.10%
Discount rate	2.16%	2.21%	3.51%	3.87%
Healthcare trend rates	5.30% to 3.94% by 2075	5.40% to 3.84% by 2075	5.50% to 3.84% by 2075	5.50% to 3.84% by 2078

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

**Note to Required Supplementary Information**

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

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedules of Change from Adopted Budget to Final Budget**  
**and the Real Property Tax Limit - General Fund**  
For the Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 255,600,000
Additions:		
Prior year's encumbrances		<u>992,060</u>
Original Budget		256,592,060
Budget revision		<u>3,300,000</u>
Final Budget		<u><u>\$ 259,892,060</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget		<u><u>\$ 263,000,000</u></u>
Maximum allowed (4% of 2021-2022 budget)		<u><u>\$ 10,520,000</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 6,436,369	
Unassigned fund balance	<u>10,520,000</u>	
		\$ 16,956,369
Less:		
Appropriated fund balance	5,400,000	
Encumbrances	<u>1,036,369</u>	
Total adjustments		<u>6,436,369</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		<u><u>\$ 10,520,000</u></u>
Actual Percentage		4.00%

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund**  
For the Year Ended June 30, 2021

PROJECT TITLE	Budget		Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2021	
	June 30, 2020	June 30, 2021	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Vent replacement - WMI	\$ 94,492	\$ 94,492	\$ 94,492	\$	\$ 94,492	\$	\$	\$ 94,492	\$ 94,492	\$ -	
Vent replacement - Coram	153,218	153,218	153,218		153,218			153,218	153,218	-	
Vent replacement - HS	202,290	202,290	202,290		202,290			202,290	202,290	-	
Districtwide security upgrade	450,000	450,000	437,460		437,460	12,540		450,000	450,000	12,540	
JHS/HS Auditorium sound system	300,000	300,000	268,804		268,804	31,196		300,000	300,000	31,196	
MS Masonry	450,000	450,000	389,493		389,493	60,507		450,000	450,000	60,507	
Fire Alarms - CEW										-	
Fire Alarms - Coram	111,897	111,897	99,236		99,236	12,661		111,897	111,897	12,661	
Fire Alarms - Ridge										-	
Fire Alarms - WMI	102,039	102,039	102,039		102,039			102,039	102,039	-	
Fire Alarms - MS	236,064	236,064	147,935	79,113	227,048	9,016		236,064	236,064	9,016	
Main Street Building	300,000	300,000	80,410		80,410	219,590		300,000	300,000	219,590	
Communication - JHS	156,429	156,429	156,143		156,143	286		156,429	156,429	286	
Communication - MS	75,362	75,362	75,122		75,122	240		75,362	75,362	240	
Communication - CW Prim.	31,817	31,817	30,454		30,454	1,363		31,817	31,817	1,363	
Communication - CW Inter.	47,099	47,099	46,257		46,257	842		47,099	47,099	842	
Communication - Coram Prim.	26,111	26,111	20,020		20,020	6,091		26,111	26,111	6,091	
Communication - Coram Inter.	22,695	22,695	20,793		20,793	1,902		22,695	22,695	1,902	
Communication - Ridge Prim.	21,869	21,869	18,261		18,261	3,608		21,869	21,869	3,608	
Communication - Ridge Inter.	23,985	23,985	19,034		19,034	4,951		23,985	23,985	4,951	
Communication - WM Prim.	21,000	21,000	19,012		19,012	1,988		21,000	21,000	1,988	
Communication - WM Inter.	23,633	23,633	18,493		18,493	5,140		23,633	23,633	5,140	
Technology Center Repairs (2018-2019)	450,000	450,000				450,000		450,000	450,000	450,000	
HVAC (2019-2020)	450,000	450,000				450,000		450,000	450,000	450,000	
Site Work (2020-2021)	450,000	450,000				450,000		450,000	450,000	450,000	
	<u>3,750,000</u>	<u>4,200,000</u>	<u>2,398,966</u>	<u>79,113</u>	<u>2,478,079</u>	<u>1,721,921</u>	<u>-</u>	<u>-</u>	<u>4,200,000</u>	<u>4,200,000</u>	<u>1,721,921</u>
CEW intermediate phase 2 E-2	132,939	132,939	132,939		132,939		132,939		132,939	-	
CEW intermediate phase 3 E-3	128,708	128,708	128,708		128,708		128,708		128,708	-	
WMI primary phase 2 K-2	114,063	114,063	113,853		113,853	210	114,063		114,063	210	
Coram inter phase 2 G-2	119,077	119,077	119,077		119,077		119,077		119,077	-	
Ridge inter phase 2 J-2	123,440	123,440	123,439		123,439	1	123,440		123,440	1	
JHS phase 2 B-2	328,614	328,614	328,572		328,572	42	328,614		328,614	42	
JHS phase 3 B-3	294,665	294,665	294,665		294,665		294,665		294,665	-	
MHS phase 2 C-2	6,392,284	6,392,284	6,377,508		6,377,508	14,776	6,392,284		6,392,284	14,776	
MHS phase 1 C-1	2,172,893	2,172,893	2,172,893		2,172,893		32,893	2,140,000	2,172,893	-	
MHS phase 2 J-2	1,314,604	1,314,604	1,314,604		1,314,604		1,314,604		1,314,604	-	
Ridge primary phase 2 H-2	114,823	114,823	114,823		114,823		114,823		114,823	-	
Ridge primary phase 1 H-1	507,008	507,008	507,008		507,008		165,678	341,330	507,008	-	
Coram primary phase 2 F-2	120,629	120,629	120,629		120,629		120,629		120,629	-	
Coram primary phase 1 F-1	733,564	733,564	733,564		733,564		166,464	567,100	733,564	-	
CEW primary phase 2 F-2	120,027	120,027	120,027		120,027		120,027		120,027	-	
CEW primary phase 1 F-1	699,409	699,409	699,409		699,409		196,509	502,900	699,409	-	
HS phase 1A	2,249,941	2,249,941	2,249,941		2,249,941		2,249,941		2,249,941	-	
HS phase 1 A-2	5,987,446	5,987,446	5,969,428		5,969,428	18,018	5,987,446		5,987,446	18,018	
WMI inter phase 2 L-2	131,798	131,798	131,798		131,798		131,798		131,798	-	
WMI inter L1	688,059	688,059	688,059		688,059		198,920	489,139	688,059	-	
Co-Gen	1,233,667	1,233,667	1,233,436		1,233,436	231	1,233,667		1,233,667	231	
District-wide technology	3,572,809	3,572,809	3,572,809		3,572,809		3,572,809		3,572,809	-	
	<u>27,280,467</u>	<u>27,280,467</u>	<u>27,247,189</u>	<u>-</u>	<u>27,247,189</u>	<u>33,278</u>	<u>23,239,998</u>	<u>-</u>	<u>4,040,469</u>	<u>27,280,467</u>	<u>33,278</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)**  
For the Year Ended June 30, 2021

PROJECT TITLE	Budget June 30, 2020	Budget June 30, 2021	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2021	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Smart Schools Bond Act	\$ 4,040,665	\$ 4,040,665	\$ 3,528,929	\$ 192,697	\$ 3,721,626	\$ 319,039	\$	\$ 4,040,665	\$	\$ 4,040,665	\$ 319,039
Demo Bus Office Phase 3	143,446	142,742	18,305	124,437	142,742		142,742			142,742	-
CEW Inter. Phase 2	602,380	537,521	284,438	231,533	515,971	21,550	31,061		506,460	537,521	21,550
WMI Prim. Phase 2	607,024	429,856	405,791	24,065	429,856		429,856			429,856	-
O&M Phase 2	248,145	246,984	246,984		246,984		246,984			246,984	-
Coram Inter. Phase 2	439,617	373,609	330,408	43,201	373,609		373,609			373,609	-
Ridge Inter. Phase 2	530,327	485,122	318,512	166,610	485,122		485,122			485,122	-
JHS Phase 1	3,758,139	3,748,118	3,748,118		3,748,118		3,748,118			3,748,118	-
MS Phase 4	2,268,953	2,223,861	1,133,121	1,058,789	2,191,910	31,951	1,986,361		237,500	2,223,861	31,951
Ridge Prim. Phase 2	452,552	383,145	222,637	160,508	383,145		383,145			383,145	-
Coram Prim. Phase 2	462,898	382,650	335,466	47,184	382,650		382,650			382,650	-
HS Phase 1	6,517,872	6,388,100	6,149,798	238,302	6,388,100		6,388,100			6,388,100	-
CEW Prim. Phase 2	860,474	733,165	703,097	30,068	733,165		733,165			733,165	-
WMI Inter. Phase 2	393,722	344,514	332,443	12,071	344,514		344,514			344,514	-
Demo CO East Phase 3	101,000	99,236	92,130	7,106	99,236		99,236			99,236	-
New Admin Building Phase 3	9,792,975	9,967,481	6,942,342	2,483,542	9,425,884	541,597	4,036,852		5,930,629	9,967,481	541,597
CEW Inter. Phase 3	188,022	195,973	16,785	143,717	160,502	35,471	195,973			195,973	35,471
CEW Prim. Phase 3	76,875	74,376	11,256	32,915	44,171	30,205	74,376			74,376	30,205
Coram Inter. Phase 3	120,381	142,739	12,591	72,684	85,275	57,464	142,739			142,739	57,464
Coram Prim. Phase 3	72,677	71,618	10,320	31,675	41,995	29,623	71,618			71,618	29,623
HS Phase 3	227,000	404,800	72,352	258,072	330,424	74,376	404,800			404,800	74,376
JHS Phase 3	172,200	138,407	23,655	76,751	100,406	38,001	138,407			138,407	38,001
MS Phase 3	186,515	141,988	19,434	70,184	89,618	52,370	141,988			141,988	52,370
Ridge Inter. Phase 3	94,893	91,318	11,871	59,856	71,727	19,591	91,318			91,318	19,591
Ridge Prim. Phase 3	89,490	87,374	10,934	43,068	54,002	33,372	87,374			87,374	33,372
WMI Inter. Phase 3	107,407	114,276	12,052	63,083	75,135	39,141	114,276			114,276	39,141
WMI Prim. Phase 3	76,875	76,147	10,502	35,192	45,694	30,453	76,147			76,147	30,453
HS Addition Phase 4	2,959,726	2,419,713	2,033,826	342,763	2,376,589	43,124	2,419,713			2,419,713	43,124
JHS Addition Phase 4	3,529,016	3,625,658	2,384,575	1,218,451	3,603,026	22,632	3,625,658			3,625,658	22,632
HS Reconstruction Phase 4	2,059,624	1,993,323	786,486	834,081	1,620,567	372,756	1,993,323			1,993,323	372,756
JHS Reconstruction Phase 4	1,999,775	1,800,775	674,511	911,078	1,585,589	215,186	1,800,775			1,800,775	215,186
General Funds - Administration		1,275,411				1,275,411			1,275,411	1,275,411	1,275,411
	<u>39,140,000</u>	<u>39,140,000</u>	<u>27,354,740</u>	<u>8,820,986</u>	<u>36,175,726</u>	<u>2,964,274</u>	<u>31,190,000</u>	<u>-</u>	<u>7,950,000</u>	<u>39,140,000</u>	<u>2,964,274</u>
Gymnasium floor - capital reserve		3,300,000				3,300,000			3,300,000	3,300,000	3,300,000
Totals	<u>\$ 74,211,132</u>	<u>\$ 77,961,132</u>	<u>\$ 60,529,824</u>	<u>\$ 9,092,796</u>	<u>\$ 69,622,620</u>	<u>\$ 8,338,512</u>	<u>\$ 54,429,998</u>	<u>\$ 4,040,665</u>	<u>\$ 19,490,469</u>	<u>\$ 77,961,132</u>	<u>8,338,512</u>
											Unissued debt (10,190,000)
											Smart Schools Bond Act revenue not yet recognized (319,038)
											Capital reserve interest 74,607
											<u>(10,434,431)</u>
											<u>\$ (2,095,919)</u>

**LONGWOOD CENTRAL SCHOOL DISTRICT**  
**Schedule of Net Investment in Capital Assets**  
June 30, 2021

Capital assets, net	<u>\$ 210,869,384</u>
Deduct:	
Bond anticipation notes	10,190,000
Less: Unspent BAN proceeds	(1,093,765)
Short-term portion of bonds payable	4,305,000
Long-term portion of bonds payable	42,320,000
Less: Unspent bond proceeds	<u>(33,278)</u>
	<u>55,687,957</u>
Net Investment in Capital Assets	<u><u>\$ 155,181,427</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  
Longwood Central School District  
Middle Island, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of the Longwood Central School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 7, 2021. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Cullen & Danowski, LLP*

October 7, 2021

