



# Farmingdale School District

Board of Education Board Meeting  
November 3, 2021

EXECUTIVE SESSION, 6:00 P.M. – WELDON E. HOWITT BAND ROOM

*It is anticipated that upon a majority vote of the total membership of the Board, a motion to meet in Executive Session to discuss specific litigation, collective bargaining, and personnel issues in accordance with Open Meetings Law will be considered. Following the Executive Session the Board will reconvene in the Howitt East Cafeteria at approximately 8 p.m.*

## **PUBLIC MEETING, 8:00 P.M.**

**Weldon E. Howitt Auditorium**

The Board of Education is interested in encouraging all members of the public to share their ideas, comments and questions. Public participation opportunities will be available at the beginning and end of this meeting and, as stated in board policy, no person shall speak for more than three minutes and each period of public participation shall be limited to 30 minutes. If you have any questions or concerns regarding matters on the Agenda, it may be important for you to utilize the first public participation opportunity as the Board will act on those items immediately. Charges, complaints or challenges should follow procedures listed under Policies 1400, 1410 and/or 1440, which are included on the materials table. Thank you for your anticipated courtesy and cooperation. The agenda follows:

IN THE EVENT OF FIRE AND/OR IF YOU HEAR THE FIRE BELL, YOU MUST LEAVE THE BUILDING. PLEASE USE THE NEAREST EXIT, WHICH IS TO YOUR RIGHT IN THE BACK OF THIS ROOM.

### **Call to Order**

### **Pledge of Allegiance**

### **Superintendent's Update**

- Monthly Update

### **Old Business**

### **Public Participation**

#### **Board of Education Minutes**

Motion made by \_\_\_\_\_, seconded by \_\_\_\_\_ to approve the minutes of \_\_\_\_\_

1. Minutes of Oct 6, 2021 Board Meeting

### **Board Correspondence**

### **Board Committee Reports**

### **Consideration of Consent Agenda**

Motion made by \_\_\_\_\_, seconded by \_\_\_\_\_ that the Consent Agenda consisting of Items I (a-f), II (a-i) and III (a-d) be approved as a whole with action recorded separately.

## **I. Business Report**

### **a. Acceptance for File of Financial Reports**

1. Acceptance of the Claims Auditor Report - September 2021
2. Acceptance of the Extra Curricular Report - June & September 2021
3. Acceptance of the Revenue and Expenditure Report - June & September 2021
4. Acceptance of the Treasurer's Report - June & September 2021

### **b. Approval of Contracts and Agreements**

1. Approval of Special Education and General Education Contracts
2. Approval of a Consulting Services Agreement with DocDeana Enterprises LLC
- c. Approval of Change Order #1 with Hirsch & Company, LLC (Contract P - Plumbing Work) for Securing Permits and Licensing for the Sewer Work Associated with the Aquatic Center at Howitt Middle School
- d. Approval of Change Order #3 with Construction Consultants of Long Island, Inc., for the Curtain Wall System Associated with the Aquatic Center at Howitt Middle School
- e. Acceptance of Funds and Increase the 2021/22 Budget for the All County Music Virtual Festival
- f. Approval of Declaration of Obsolete Equipment - November 2021

## **II. Items for Action**

- a. Approval of an Amendment to Stipulation of Settlement and Release with Employee Named in Executive Session
- b. Approval of a Settlement Agreement and General Release Regarding a Former Student Named in Executive Session
- c. Approval of a Memorandum of Agreement with the Farmingdale UFSD Cafeteria Employees Unit
- d. Approval of Salary for Substitute Cafeteria Workers
- e. Approval of the 2021-22 Response to Intervention (RtI) Plan
- f. Approval of New Course ENVES (AP Environmental Science and Regents Earth Science) Grades 9 & 10
- g. Approval of New Course Python Programming 2 (Grades 10-12)
- h. Approval of New Course Heritage Spanish (Grades 7-8 / 9-10 / 11-12)
- i. Approval of New Course Civic Readiness Capstone (Grades 11 & 12)

### **III. Superintendent's Report**

- a. Personnel Items -- Instructional
- b. Personnel Items -- Non-Instructional
- c. Approval of the Committee on Special Education Placements Report and Acceptance for File of Said Report
- d. Approval of the Committee on Preschool Special Education Placements Report and Acceptance for File of Said Report

### **IV. Items for Discussion and Action**

Motion made by \_\_\_\_\_, seconded by \_\_\_\_\_ to accept and approve

1. Acceptance of Independent Audit Report - Year Ending June 30, 2021
2. Acceptance of Extra Classroom Activity Funds Independent Audit- Year Ending June 30, 2021

### **V. Items for Discussion**

1. Draft Policy and Regulation #5280, Interscholastic Athletics
2. Draft Policy #8505, Charging School Meals and Prohibition Against Shaming

### **Public Participation**

### **Adjournment**

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Patricia Celano, Assistant District Clerk

**Board of Education**

50 Van Cott Ave  
Farmingdale, NY 11735

Meeting: 11/03/21 08:00 PM

Department: Assistant to the Superintendent for Business

Category: Action Item

Prepared By: Ro Fullam

Initiator: Michael Motisi

Sponsors:

DOC ID: 8431

**SCHEDULED****CONSENT ITEM (ID # 8431)**

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## **Acceptance of Independent Audit Report - Year Ending June 30, 2021**

RESOLVED, that the Farmingdale Union Free School District Board of Education accepts the June 30, 2021 Independent Auditor Report for study and file.



**FARMINGDALE UNION FREE SCHOOL DISTRICT  
TOWNS OF OYSTER BAY AND BABYLON, NEW YORK**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
IN CONNECTION WITH THE UNIFORM GUIDANCE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education of the  
Farmingdale Union Free School District  
Towns of Oyster Bay and Babylon, New York:

***Report on the Financial Statements***

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

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

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

***Auditor's Responsibility***

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

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

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

***Opinions***

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

# NawrockiSmith

## ***Changes in Accounting Principles and Prior Period Adjustment***

As described in Note 3 to the financial statements, in 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities. The effect of GASB Statement No. 84 required a prior period adjustment as discussed in Note 16 to the financial statements. Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-14 and 52-55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information requested by the New York State Education Department and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hauppauge, New York  
October 12, 2021





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

### **FINANCIAL HIGHLIGHTS**

- The impact of COVID-19 on the District's financial position was offset by federal stimulus funding allocated to the District during the 2020/21 school year. Of the \$8,913,097 allocated to the District through the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") and the American Rescue Plan Act ("ARPA"), \$3,847,520 was claimed in related expenses with \$5,065,577 remaining to be allocated through the 2023/24 school year.
- The District showed a net decrease in fund balance in the General Fund with expenditures exceeding revenues in the amount of \$2,551,899. This is largely due a \$5,350,000 drawdown on the Capital Reserve during 2020/21, partially offset by a transfer of COVID-19 related expenses to the Special Aid Fund.
- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts assigned for the subsequent year's budget, which can be retained by the General Fund to 4% of the ensuing year's budget. The District has remained within this limit. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$6,987,682 which is within the 4% limit (see page 56).
- The District has appropriated \$3,000,000 of fund balance for 2021/22 to protect District programs from potential unforeseen increases in budgeted expenditures and maintain level tax levy.
- On the District-wide financial statements, the assets and deferred outflows of resources were less than liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$216,626,837. The District's total net position decreased by \$28,187,867 for the year ended June 30, 2021. The unrestricted portion of net position as of June 30, 2021 was in a deficit of \$324,945,864 and is clearly the result of the long-term liability for Other Post-Employment Benefits ("OPEB") of \$431,281,458.
- In the General Fund, revenues were 0.8% above the final budget and expenditures (including amounts encumbered) were 4.2% below budget. Expenditures (and interfund transfer expenses) were up 4.3% from the prior year.
- In connection with GASB Statement 75 regarding post-employment benefits other than pensions, the District reported a total OPEB liability of \$431,281,458. It should be noted that New York State has not authorized a reserve that would allow school districts the ability to account for this liability.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two financial statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide financial statements. The *governmental funds financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

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

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

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

### District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are shown as *governmental activities*. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and State formula aid finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District maintains governmental funds, which are described as follows:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, reconciliations of the District-wide and governmental funds financial statements are provided which explain the relationship (or differences) between them.

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's net position decreased by 15.0% as detailed in Tables A-2 and A-3. The District is in a net deficit position with assets and deferred outflows of resources exceeded by liabilities and deferred inflows of resources by \$216,626,837. This is primarily due to the recognition of the total OPEB liability as required by GASB 75.

**Table A-2: Condensed Statements of Net Position - Governmental Activities**

	6/30/21	(As Restated) 6/30/20	\$ Change	% Change
Current and other assets	\$ 66,298,011	\$ 66,386,548	\$ (88,537)	(0.1)
Capital assets, net	113,526,866	99,907,606	13,619,260	13.6
<b>Total assets</b>	<b>\$ 179,824,877</b>	<b>\$ 166,294,154</b>	<b>\$ 13,530,723</b>	<b>8.1</b>
Deferred outflows of resources	\$ 139,250,751	\$ 121,329,672	\$ 17,921,079	14.8
Current liabilities	\$ 21,984,024	\$ 38,608,443	\$ (16,624,419)	(43.1)
Long-term liabilities	493,323,068	423,284,100	70,038,968	16.5
<b>Total liabilities</b>	<b>\$ 515,307,092</b>	<b>\$ 461,892,543</b>	<b>\$ 53,414,549</b>	<b>11.6</b>
Deferred inflows of resources	\$ 20,395,373	\$ 14,170,253	\$ 6,225,120	43.9
Net position:				
Net investment in capital assets	\$ 72,656,205	\$ 67,913,507	\$ 4,742,698	7.0
Restricted	35,662,822	23,431,629	12,231,193	52.2
Unrestricted (deficit)	(324,945,864)	(279,784,106)	(45,161,758)	(16.1)
<b>Total net position (deficit)</b>	<b>\$ (216,626,837)</b>	<b>\$ (188,438,970)</b>	<b>\$ (28,187,867)</b>	<b>(15.0)</b>

The restricted net position balance of \$35,662,822 represents the District's reserves for capital projects, employee benefit accrued liability, unemployment insurance, workers' compensation, insurance, and retirement contribution. These assets (or deferred outflows of resources) are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

Liabilities and deferred inflows of resources increased by \$59,639,669 or 12.5% from the year before, which is primarily related to the increase in the total OPEB liability and the changes net pension liability and the related deferred inflows of resources related to NYSERS and NYSTRS.

### Changes in Net Position

The District's fiscal year 2021 revenues totaled \$178,462,217 (See Table A-3). Real property taxes, other tax items (including STAR and PILOT) and State sources accounted for most of the District's revenue by contributing 65.4%, 9.7% and 17.7% respectively, of total revenue (See Table A-4). The remainder came from Federal sources (Medicaid), fees charged for services, insurance recoveries, operating grants, use of money and property and other miscellaneous sources.

- Revenues from real property taxes increased by 3.2% as a result of receiving less STAR payments than the prior year. The 2020/21 tax levy increase was within the statutory New York State tax levy limit.
- STAR payments, which are included in "Other tax items", decreased 7.4% from \$14,210,075 to \$13,160,931 in 2021. This is primarily due to a decrease in the number of basic STAR exemptions and the decreased assessed values associated with these exemptions.
- PILOT payments, which are included in "Other tax items", increased 16.2% from \$3,619,107 to \$4,206,621 in 2021. This is primarily due to the timing of payments from the Town of Babylon. PILOT revenue includes payments from LIPA for public utility equipment.

- Operating grants increased 108.4% from \$4,365,626 to \$9,099,964 in 2021. The increase is largely a result of the federal stimulus funds the District was allocated as a result of COVID-19. These grants will be discussed in more detail later in the "Financial Analysis of the District's Funds" and "Factors Bearing on the Future of the District" sections.

The District's fiscal year 2021 expenses totaled \$206,650,084 (See Table A-3). Of these expenses, 86.5 percent is related to general instruction and caring for and transporting students (See Table A-6).

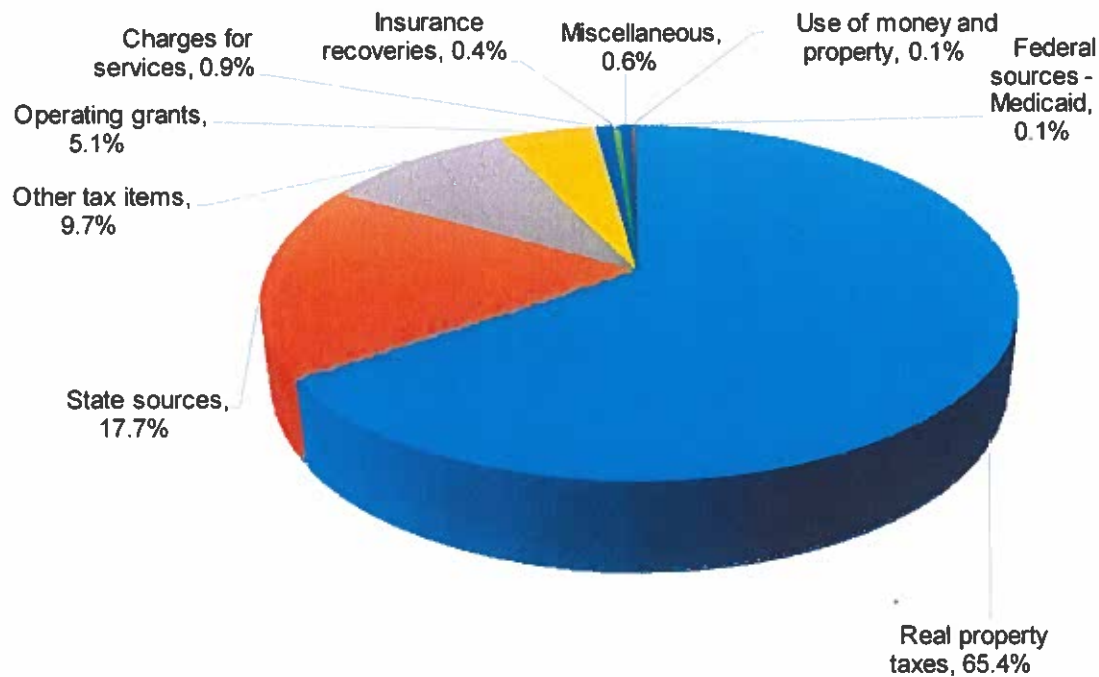
- General support expenditures decreased \$168,150 as a result of the increase in the non-capital outlay capital asset additions, which are reported as expenditures on the fund financial statements but converted to assets on the District-wide financial statements.
- Instruction related expenditures increased \$8,954,611 as a result of the allocation of employee benefits related expenditures (OPEB, pension, etc.) towards the instructional category.

**Table A-3: Changes in Net Position from Operating Results - Governmental Activities Only**

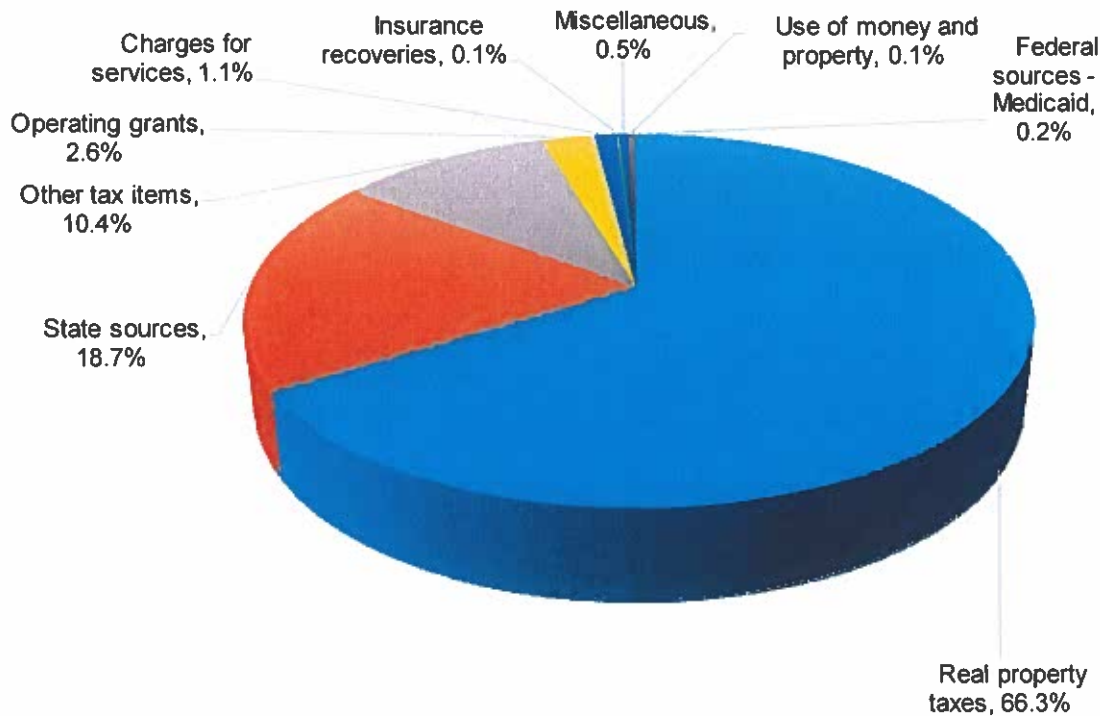
	<u>6/30/21</u>	<u>6/30/20</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 1,514,446	\$ 1,948,849	\$ (434,403)	(22.3)
Operating grants	9,099,964	4,365,626	4,734,338	108.4
General revenues:				
Real property taxes	116,650,729	113,053,748	3,596,981	3.2
Other tax items	17,367,553	17,829,183	(461,630)	(2.6)
Use of money and property	147,472	249,107	(101,635)	(40.8)
State sources	31,586,479	31,951,551	(365,072)	(1.1)
Federal sources - Medicaid	254,373	330,422	(76,049)	(23.0)
Insurance recoveries	782,452	132,292	650,160	491.5
Miscellaneous	1,058,749	758,651	300,098	39.6
Total revenues	<u>178,462,217</u>	<u>170,619,429</u>	<u>7,842,788</u>	<u>4.6</u>
<b>Expenses</b>				
General support	25,220,863	25,389,013	(168,150)	(0.7)
Instruction	168,803,499	159,848,888	8,954,611	5.6
Pupil transportation	9,833,374	7,689,549	2,143,825	27.9
Community services	15,077	18,550	(3,473)	(18.7)
Debt service - interest	618,139	254,312	363,827	143.1
School lunch program	2,159,132	2,018,826	140,306	6.9
Total expenses	<u>206,650,084</u>	<u>195,219,138</u>	<u>11,430,946</u>	<u>5.9</u>
Decrease in net position	(28,187,867)	(24,599,709)	(3,588,158)	(14.6)
Net position (deficit), beginning of year	(188,438,970)	(164,136,001)	(24,302,969)	(14.8)
Prior period adjustment, see Note 16	-	296,740	(296,740)	(100.0)
Net position (deficit), end of year	<u>\$ (216,626,837)</u>	<u>\$ (188,438,970)</u>	<u>\$ (28,187,867)</u>	<u>(15.0)</u>



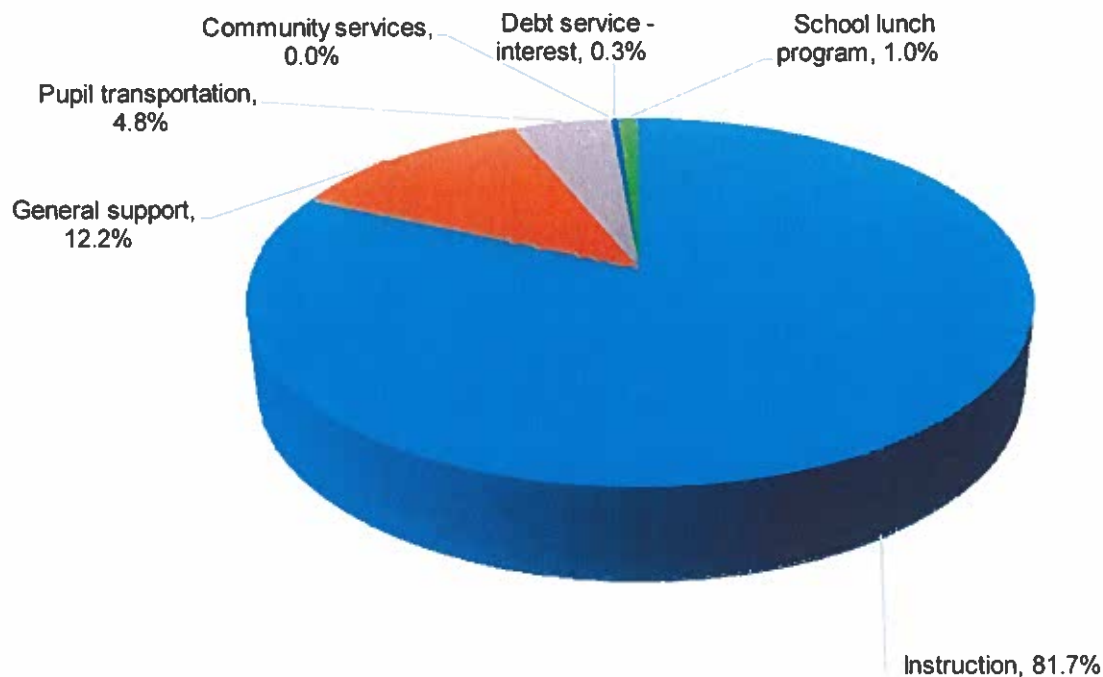
**Table A-4: Sources of Revenues for Fiscal Year 2021**



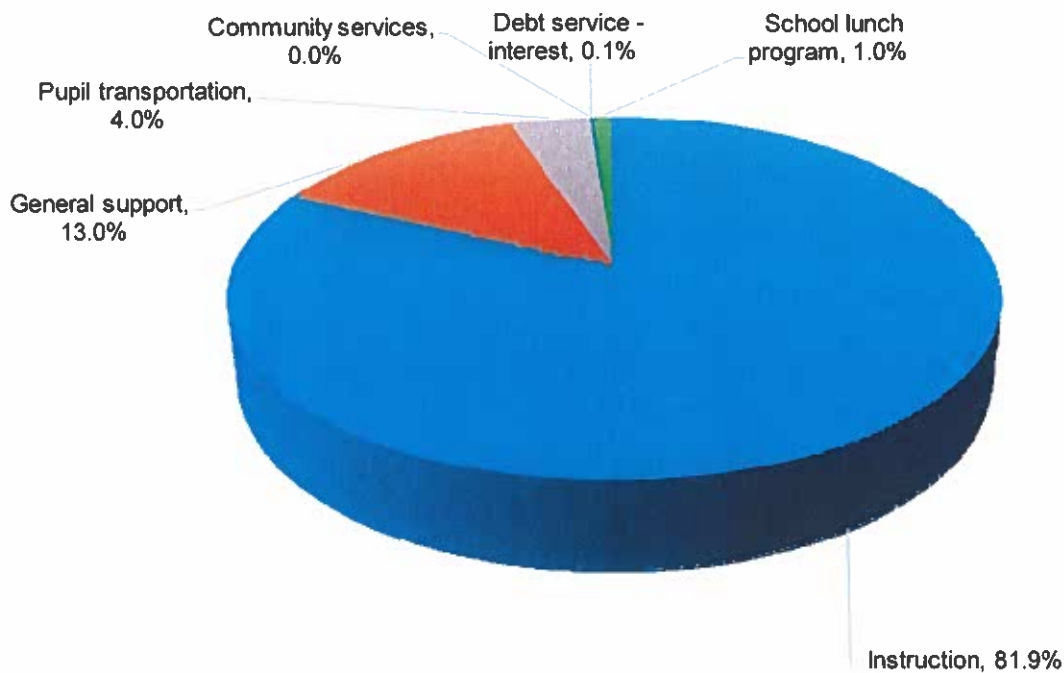
**Table A-5: Sources of Revenues for Fiscal Year 2020**



**Table A-6: Expenses for Fiscal Year 2021**



**Table A-7: Expenses for Fiscal Year 2020**



**Governmental Activities**

Revenues for the District's governmental activities totaled \$178,462,217 while total expenses were \$206,650,084. Therefore, the decrease in net position for governmental activities was \$28,187,867 in 2021. The District's financial condition is generally affected by:

- Approval of the District's proposed annual budget;
- Federal and local economic conditions; and
- Contractual and legislative mandated services.

The major changes in revenues and expenses are as follows:

**Revenues:**

- Real property taxes, including STAR, increased by \$2,547,837. The voter approved tax levy increase was 1.95%, and was within the tax cap.
- Other tax items include the reimbursements received under the School Tax Relief Reimbursement Program ("STAR"). The STAR program provides tax relief to homeowners through State reimbursement to the District. Payments in lieu of taxes ("PILOTS") are also included within this category. PILOT payments increased this year due to the timing of payments from the Town of Babylon.
- Unrestricted State sources (aid) decreased by \$365,072 as a result of decreased building and transportation aid, offset by an increase in BOCES aid and the revenue recognition of 20% of the state aid receivable at June 30, 2020, which was deferred in the prior year.

**Expenses:**

- Instruction expenses increased by \$8,954,611 due to the recognition of the District's accrued pension and total OPEB liability in the full accrual financial statements.
- Pupil transportation expenses increased \$2,143,825 as a result of a new five-year contract with a 4.00% increase in 2020/21 and the 2019/20 expenses coming in lower due to the COVID-19 closure from mid-March to June 2020.

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

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

- General support expenditures were \$18,617,461, as compared to \$18,087,659 in 2020, which represents an increase of \$529,802. The increase in expenditures was a result of COVID-19 related expenditures as well as contractual settlements and step obligations for 2020/21.
- Instruction related expenditures were \$100,251,985, as compared to \$97,124,086 in 2020, which represents an increase of \$3,127,899. The increase in expenditures includes contractual settlements and step obligations for fiscal 2020/21, offset by a decrease in contractual expenses.



At June 30, 2021, the District's governmental funds reported a combined fund balance of \$46,998,795, which is an increase of \$25,894,396 from June 30, 2020, as restated. Fund balances for the District's governmental funds for the past two years were distributed as follows:

**Table A-8: Fund Balances - Governmental Funds**

	<u>6/30/21</u>	<u>(As Restated)</u> <u>6/30/20</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Fund</b>				
Prepaid expenses	\$ 8,941	\$ 16,234	\$ (7,293)	(44.9)
Restricted:				
Capital Reserve	8,515,089	13,835,730	(5,320,641)	(38.5)
Debt Service	-	166,310	(166,310)	(100.0)
Employee Benefit Accrued Liability	4,896,720	2,664,414	2,232,306	83.8
Unemployment Insurance	618,453	617,144	1,309	0.2
Workers' Compensation	28,823	76,253	(47,430)	(62.2)
Insurance	413,040	412,166	874	0.2
Retirement Contribution	8,833,168	5,362,872	3,470,296	64.7
Assigned:				
Appropriated for subsequent year's expenditures	3,000,000	5,500,000	(2,500,000)	(45.5)
Encumbrances	777,710	1,073,572	(295,862)	(27.6)
Unassigned	6,987,682	6,906,830	80,852	1.2
Total General Fund	<u>34,079,626</u>	<u>36,631,525</u>	<u>(2,551,899)</u>	<u>(7.0)</u>
<b>School Lunch Fund</b>				
Nonspendable:				
Inventory	20,300	36,755	(16,455)	(44.8)
Assigned:				
School Lunch Fund	<u>541,340</u>	<u>179,246</u>	<u>362,094</u>	<u>202.0</u>
Total School Lunch Fund	<u>561,640</u>	<u>216,001</u>	<u>345,639</u>	<u>160.0</u>
<b>Other Miscellaneous Special Revenue Fund</b>				
Restricted:				
Extraclassroom Activity Funds	194,452	219,705	(25,253)	(11.5)
Scholarships	<u>81,160</u>	<u>77,035</u>	<u>4,125</u>	<u>5.4</u>
Total Other Miscellaneous Special Revenue Fund	<u>275,612</u>	<u>296,740</u>	<u>(21,128)</u>	<u>(7.1)</u>
<b>Capital Projects Fund</b>				
Restricted:				
District Improvements	12,081,917	-	12,081,917	100.0
Unassigned	<u>-</u>	<u>(16,039,867)</u>	<u>16,039,867</u>	<u>100.0</u>
Total Capital Projects Fund	<u>12,081,917</u>	<u>(16,039,867)</u>	<u>28,121,784</u>	<u>175.3</u>
Total fund balance	<u>\$ 46,998,795</u>	<u>\$ 21,104,399</u>	<u>\$ 25,894,396</u>	<u>122.7</u>

**General Fund Budgetary Highlights**

Reference is made to the supplementary schedule on page 52 which presents adopted and final budget amounts, as well as actual results for the District's General Fund.

- The District proposed a budget to the community making Budget/Program adjustments to minimize program/tax impact while maintaining an adequate fund balance.
- Actual revenues were approximately \$1,400,000 more than budget due to more revenues than anticipated in the categories of insurance recoveries, Medicaid reimbursement, other miscellaneous state aid, interfund revenue and refunds of prior year expenditures. In addition, in response to COVID-19, the District received federal stimulus funds under the CARES Act in the amount of \$458,060 and a refund of unemployment expense from New York State, both of which were not budgeted for.
- Actual expenditures (with encumbrances) were approximately \$7,200,000 less than budget due to the transfer of COVID-19 related expenditures to federal stimulus grants accounted for in the Special Aid Fund, as well as leave replacements and staff variations and related benefits. Encumbrances decreased approximately \$300,000 due to the timing of purchase orders issued for contractual related work that was to take place subsequent to the end of the fiscal year.

As of June 30, 2021, the District's unassigned fund balance was \$6,987,682, which was within the allowable 4% of the subsequent year's budget (\$174,915,558) as promulgated by New York State (see page 56). The following is a reconciliation of the General Fund's unassigned fund balance for the year ended June 30, 2021:

Unassigned fund balance, beginning of year	\$ 6,906,830
Add:	
Net change in fund balance	(2,551,899)
Prior-year nonspendable fund balance	16,234
Prior-year appropriated fund balance	5,500,000
Prior-year encumbrances	1,073,572
Board approved use of the Capital Reserve	5,350,000
Board approved use of Employee Benefit Accrued Liability Reserve	184,150
Board approved use of Debt Service Reserve	166,310
Reduction of Workers Compensation Reserve	47,592
Less:	
Current-year nonspendable fund balance	(8,941)
Current-year appropriated fund balance	(3,000,000)
Current-year encumbrances	(777,710)
Board approved transfer to the Capital Reserve (including interest)	(29,359)
Board approved transfer to the Employee Benefit Accrued Liability Reserve (including interest)	(2,416,456)
Board approved transfer to the Unemployment Insurance Reserve (including interest)	(1,309)
Board approved transfer to the Retirement Contribution Reserve (including interest)	(3,470,296)
Interest on Workers' Compensation Reserve	(162)
Interest on Insurance Reserve	(874)
	<u>\$ 6,987,682</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

By the end of 2021, the District had invested \$113,526,866 net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative spaces. Included within capital assets was \$37,103,631 of construction-in-progress, which is primarily made up of Bond 2016's athletic fields project and the aquatic center.

**Table A-9: Capital Assets (net of depreciation)**

	<u>6/30/21</u>	<u>6/30/20</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 3,738,074	\$ 3,738,074	\$ -	0.0
Construction-in-progress	37,103,631	25,401,243	11,702,388	46.1
Buildings and building improvements	67,092,562	66,574,426	518,136	0.8
Furniture and equipment	5,592,599	4,193,863	1,398,736	33.4
Totals	<u>\$ 113,526,866</u>	<u>\$ 99,907,606</u>	<u>\$ 13,619,260</u>	13.6

**Long-Term Debt**

At year-end, the District had \$53,434,174 outstanding in general obligation bonds and other long-term debt.

**Table A-10: Outstanding Long-Term Debt**

	<u>6/30/21</u>	<u>6/30/20</u>	<u>\$ Change</u>	<u>% Change</u>
Bonds payable, inclusive of premiums	\$ 36,003,462	\$ 2,341,307	\$ 33,662,155	1,437.8
Energy performance contract debt payable	10,838,611	11,842,540	(1,003,929)	(8.5)
Workers' compensation claims payable	1,695,381	1,415,645	279,736	19.8
Compensated absences	4,896,720	4,890,646	6,074	0.1
Totals	<u>\$ 53,434,174</u>	<u>\$ 20,490,138</u>	<u>\$ 32,944,036</u>	160.8

**FACTORS BEARING ON THE FUTURE OF DISTRICT**

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

- It is unclear if mandates from New York State regarding mask and/or vaccine requirements due to COVID-19 will impact the District financially. Going forward, the District has \$5,065,577 remaining in federal stimulus funds through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) to be used for COVID-19-related expenditures as well as addressing lost learning opportunities as a result of the pandemic.
- Contracts between the District and all of its bargaining units expired at the end of the 2020/21 school year. The results of contract negotiations can impact the District's future financial condition depending on a number of factors, primarily the tax cap calculation.
- The District was able to reduce budgeted contract salaries in the 2020/21 school year as a result of the retirement incentive offered during the 2019/20 school year for employees retiring effective June 30, 2020.

- The "Tax Levy Limitation Law" which was enacted on June 24, 2011 restricts the amount of property taxes that may be levied by or on behalf of a school district in a particular year. Although there are exceptions, exemptions and overrides to the limitation, the Law has made budgetary decisions more difficult. For the upcoming 2022/23 budget year, the end of year forecast for the CPI is projected to exceed the state's 2% cap. As the CPI is an integral part of the tax cap calculation, this will impact the allowable levy increase for 2022/23.
- Pension contribution rates for the Teachers' Retirement System and Employees' Retirement System remained relatively flat for the 2021/22 school year. The expense associated with this will be due in 2022/23.
- As part of New York State's enacted budget for its 2021/22 fiscal year, the District has been promised three substantial increases in its Foundation Aid over the next three school years, beginning in 2021/22. Once this is fully phased in, it would amount to approximately \$8 million more in state aid per year to support operations.
- The District began its first year of a new five-year transportation contract in the 2020/21 school year. Each year calls for a 4.00% increase with the exception of the 2022/23 school year, which is subject to a 7.00% increase.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

Farmingdale Union Free School District  
District Offices  
Attn: Assistant to the Superintendent for Business  
50 Van Cott Avenue  
Farmingdale, NY 11735  
(516) 434-5120

**FARMINGDALE UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

<b>ASSETS</b>	
Unrestricted cash	\$ 24,166,253
Receivables:	
State and federal aid	8,531,126
Property taxes	2,261,038
Other	486,533
Other assets	999,035
Inventories	20,300
Prepaid expenses	8,941
Restricted cash	29,807,327
Restricted investments	17,458
Capital assets:	
Non-depreciable	40,841,705
Depreciable, net of accumulated depreciation of \$64,486,804	72,685,161
<b>Total assets</b>	<b>179,824,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows from pensions	49,943,054
Deferred outflows from OPEB	89,307,697
<b>Total deferred outflows of resources</b>	<b>139,250,751</b>
<b>LIABILITIES</b>	
Payables:	
Accounts payable	5,682,215
Accrued interest payable	157,716
Accrued liabilities	5,186,956
Due to other governments	54,448
Due to teachers' retirement system	7,040,689
Due to employees' retirement system	745,170
Retainage payable	529,768
Unearned revenues:	
Driver's education fees	17,850
School lunch sales received in advance	85,810
Long-term liabilities, due within one year:	
Bonds payable, inclusive of premiums	795,923
Energy performance contract debt payable	1,028,269
Workers' compensation claims payable	169,538
Compensated absences	489,672
Long-term liabilities, due after one year:	
Bonds payable, inclusive of premiums	35,207,539
Energy performance contract debt payable	9,810,342
Workers' compensation claims payable	1,525,843
Compensated absences	4,407,048
Proportionate share of net pension liability	11,090,838
Other postemployment benefits obligation	431,281,458
<b>Total liabilities</b>	<b>515,307,092</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows from pensions	20,395,373
<b>Total deferred inflows of resources</b>	<b>20,395,373</b>
<b>NET POSITION</b>	
Net investment in capital assets	72,656,205
Restricted:	
Capital Reserve	8,515,089
Employee Benefit Accrued Liability	4,896,720
Unemployment Insurance	618,453
Workers' Compensation	28,823
Insurance	413,040
Retirement Contribution	8,833,168
Extracurricular Activity Funds	194,452
Scholarships	81,160
District improvements	12,081,917
Unrestricted	(324,945,864)
<b>Total net position</b>	<b>\$ (216,626,837)</b>

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

**FARMINGDALE UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Expenses	Charges for Services	Program Revenues Operating Grants	Net (Expense) Revenue and Changes in Net Position
Functions and programs:				
General support	\$ 25,220,863	\$ 133,784	\$ 827,203	\$ (24,259,876)
Instruction	168,803,499	1,032,197	6,382,214	(161,389,088)
Pupil transportation	9,833,374	5,045	31,196	(9,797,133)
Community services	15,077	-	-	(15,077)
Debt service - interest	618,139	-	-	(618,139)
School lunch program	2,159,132	343,420	1,859,351	43,639
Total functions and programs	\$ 206,650,084	\$ 1,514,446	\$ 9,099,964	(196,035,674)
General revenues:				
Real property taxes				116,650,729
Other tax items				17,367,553
Use of money and property				147,472
State sources				31,586,479
Federal sources - medical assistance				254,373
Insurance recoveries				782,452
Miscellaneous				1,058,749
Total general revenues				167,847,807
Change in net position				(28,187,867)
Total net position, beginning of year, as restated (see Note 16)				(188,438,970)
Total net position, end of year				\$ (216,626,837)

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

FARMINGDALE UNION FREE SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Funds					Total Governmental Funds
	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	
<b>ASSETS</b>						
Unrestricted cash	\$ 23,543,425	\$ -	\$ 622,828	\$ -	\$ -	\$ 24,166,253
Receivables:						
State and federal aid	1,671,261	6,299,456	560,409	-	-	8,531,126
Property taxes	2,261,038	-	-	-	-	2,261,038
Due from other funds	6,872,522	-	-	-	9,005,216	15,877,738
Other	486,070	-	463	-	-	486,533
Other assets	999,035	-	-	-	-	999,035
Inventories	-	-	20,300	-	-	20,300
Prepaid expenses	8,941	-	-	-	-	8,941
Restricted cash	23,305,293	272,468	-	258,154	5,971,412	29,807,327
Restricted investments	-	-	-	17,458	-	17,458
Total assets	\$ 59,147,585	\$ 6,571,924	\$ 1,204,000	\$ 275,612	\$ 14,976,628	\$ 82,175,749
<b>LIABILITIES</b>						
Payables:						
Accounts payable	\$ 3,229,179	\$ 72,835	\$ 31,010	\$ -	\$ 2,349,191	\$ 5,682,215
Accrued liabilities	4,270,773	53,694	97,704	-	545,520	4,967,691
Due to other governments	53,739	-	709	-	-	54,448
Due to other funds	9,005,216	6,441,395	431,127	-	-	15,877,738
Due to teachers' retirement system	7,040,689	-	-	-	-	7,040,689
Due to employees' retirement system	745,170	-	-	-	-	745,170
Unearned revenues:						
Driver's education fees	17,850	-	-	-	-	17,850
School lunch sales received in advance	-	4,000	81,810	-	-	85,810
Foster tuition	209,973	-	-	-	-	209,973
Cash surrender value of life insurance contracts	276,105	-	-	-	-	276,105
Workers' compensation claims payable	30,739	-	-	-	-	30,739
Compensated absences	188,526	-	-	-	-	188,526
Total liabilities	25,087,959	6,571,924	642,360	-	2,894,711	35,176,954
<b>FUND BALANCE</b>						
Fund balance:						
Nonspendable	8,941	-	20,300	-	-	29,241
Restricted	23,305,293	-	-	275,612	12,081,917	35,662,822
Assigned	3,777,710	-	541,340	-	-	4,319,050
Unassigned	6,987,682	-	-	-	-	6,987,682
Total fund balance	34,079,626	-	561,640	275,612	12,081,917	46,998,795
Total liabilities and fund balance	\$ 59,147,585	\$ 6,571,924	\$ 1,204,000	\$ 275,612	\$ 14,976,628	\$ 82,175,749

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



**FARMINGDALE UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Total Fund Balance - Governmental Funds		\$ 46,998,795
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets:		
Non-depreciable	\$ 40,841,705	
Depreciable	137,171,965	
Accumulated depreciation	<u>(64,486,804)</u>	113,526,866
Revenue that was not accrued on the fund financial statements because it does not meet the availability criteria under the modified accrual basis of accounting is included in the Statement of Net Position:		
Charges for services	209,973	
Use of money and property	<u>276,105</u>	486,078
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position:		
Bonds payable, inclusive of premiums and discounts	(36,003,462)	
Energy performance contract debt payable	(10,838,611)	
Workers' compensation claims payable	(1,695,381)	
Retainage payable	(529,768)	
Compensated absences payable	<u>(4,896,720)</u>	(53,963,942)
Proportionate share of long-term liabilities, deferred outflows of resources and deferred inflows of resources associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred outflows of resources - pension related	49,943,054	
Proportionate share of net pension liability	(11,090,838)	
Deferred inflows of resources - pension related	<u>(20,395,373)</u>	18,456,843
Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred outflows of resources - OPEB related	89,307,697	
Total OPEB liability	<u>(431,281,458)</u>	(341,973,761)
Interest payable applicable to the District's activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.		
		<u>(157,716)</u>
Net Position - Governmental Activities		<u>\$ (216,626,837)</u>

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



**FARMINGDALE UNION FREE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds					Total Governmental Funds
	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	
<b>REVENUES</b>						
Real property taxes	\$ 116,650,729	\$ -	\$ -	\$ -	\$ -	\$ 116,650,729
Other tax items	17,367,553	-	-	-	-	17,367,553
Charges for services	354,919	-	-	-	-	354,919
Intergovernmental revenue	742,494	-	-	-	-	742,494
Use of money and property	134,900	-	-	1,110	-	136,010
State sources	31,586,479	964,492	68,416	-	-	32,619,387
Federal sources	712,433	5,603,965	1,790,935	-	-	8,107,333
Local sources	-	214,096	-	-	-	214,096
Sales	-	-	343,420	-	-	343,420
Insurance recoveries	782,452	-	-	-	-	782,452
Miscellaneous	793,029	-	2,000	-	-	795,029
Total revenues	169,124,988	6,782,553	2,204,771	263,720	-	178,377,142
<b>EXPENDITURES</b>						
Current -						
General support	17,250,721	1,366,740	-	-	-	18,617,461
Instruction	94,748,903	5,217,124	-	285,958	-	100,251,985
Pupil transportation	9,498,299	-	-	-	-	9,498,299
Community services	15,077	-	-	-	-	15,077
Employee benefits	39,411,362	284,302	281,188	-	-	39,976,852
Cost of sales	-	-	1,877,944	-	-	1,877,944
Capital outlay	-	-	-	-	14,381,678	14,381,678
Debt service -	3,178,929	-	-	-	-	3,178,929
Principal	687,983	-	-	-	-	687,983
Interest	-	-	-	-	-	-
Total expenditures	164,791,274	6,868,166	2,159,132	285,958	14,381,678	188,486,208
Excess (deficiency) of revenues over (under) expenditures	4,333,714	(85,613)	45,639	(21,128)	(14,381,678)	(10,109,066)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from issuance of serial bonds	-	-	-	-	32,485,000	32,485,000
Premium on obligations	-	-	-	-	3,518,462	3,518,462
Transfers in	-	385,613	300,000	-	6,500,000	7,185,613
Transfers out	(6,885,613)	(300,000)	-	-	-	(7,185,613)
Total other financing sources (uses)	(6,885,613)	85,613	300,000	-	42,503,462	36,003,462
Change in fund balance	(2,551,899)	-	345,639	(21,128)	28,121,784	25,894,396
Fund balance, beginning of year, as restated (see Note 16)	36,631,525	-	216,001	296,740	(16,039,867)	21,104,399
Fund balance, end of year	\$ 34,079,626	\$ -	\$ 561,640	\$ 275,612	\$ 12,081,917	\$ 46,998,795

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

**FARMINGDALE UNION FREE SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balance - Governmental Funds \$ 25,894,396

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:

Capital outlay	\$ 16,713,308	
Depreciation expense	(3,044,018)	
Retirement of partially depreciated capital assets	<u>(50,030)</u>	13,619,260

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Charges for services	73,613	
Use of money and property	<u>11,462</u>	85,075

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Proceeds from issuance of serial bonds	(32,485,000)	
Premium on obligations	(3,518,462)	
Repayment of bond principal	2,175,000	
Repayment of energy performance contract debt payable	<u>1,003,929</u>	(32,824,533)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Workers' compensation claims payable	(279,736)	
Amortization of bond issue premiums and discounts, net	166,307	
Compensated absences payable	(6,074)	
Retainage payable	(504,979)	
Accrued interest costs	<u>(96,463)</u>	(720,945)

Changes in the proportionate share of the collective pension expense of the state retirement plans reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Deferred outflows of resources - pension related	6,694,864	
Proportionate share of the net pension liability	(7,932,630)	
Deferred inflows of resources - pension related	<u>(6,225,120)</u>	(7,462,886)

Changes in the total OPEB liability and deferred outflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Deferred outflows of resources - OPEB related	11,226,215	
Total OPEB liability	<u>(38,004,449)</u>	(26,778,234)

Change in Net Position - Governmental Activities

\$ (28,187,867)

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

**1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Farmingdale Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

**A. Reporting entity**

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education 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 reporting entity of the District is based upon 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 such criteria the District has determined there are no component units to be included within their reporting entity.

**B. Public library**

The public library jointly shares the services of the District Treasurer. The District does not appoint trustees for library purposes but collects taxes on the Library's behalf. See Note 15 for additional disclosure.

**C. Joint venture**

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

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

During the year, the District was billed \$13,235,727 for BOCES administrative and program costs (\$618,340 of which relate to administrative costs).

The District's share of BOCES aid relating solely to administrative and program costs amounted to \$2,216,294.

Financial statements for the BOCES are available from the BOCES administrative office.

D. Basis of presentation

1. District-wide financial statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These financial statements include the financial activities of the overall government in its entirety.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid (sources), intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and federal grants that are restricted for educational programs.

School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Other Miscellaneous Special Revenue Fund: Used to account for the activities of student groups, extraclassroom activity funds and scholarships for students.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of District facilities.

E. Measurement focus and basis of accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 property taxes, State aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

F. Property taxes

Real property taxes, for the Town of Oyster Bay residents, are levied annually by the Board of Education during September and become a lien on October 1<sup>st</sup> and April 1<sup>st</sup>. This portion of the District's tax levy is collected by the Town of Oyster Bay and remitted to the District. Uncollected real property taxes have been enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1<sup>st</sup>.



Real property taxes, for the Town of Babylon residents, are levied annually by the Board of Education no later than November 1<sup>st</sup> and become a lien on December 1<sup>st</sup>. This portion of the District's tax levy is collected by the Town of Babylon ("Town") along with the respective Town and Suffolk County levies. These tax collections are remitted to the District and Town Comptrollers until their respective tax levies are satisfied in accordance with the Suffolk County Tax Act. All subsequent tax collections are remitted by the Town to Suffolk County which in turn is responsible for any uncollected taxes.

G. Restricted resources

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

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 the transfer of expenditures and revenues to provide financing or other services.

Advances to/from other funds represent loans to other funds which are not expected to be repaid within the subsequent year. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

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

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

I. 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 contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, useful lives of long-lived assets, the proportionate share of net pension assets and liabilities, and the total OPEB liability.

J. Cash and cash equivalents/investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. 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 United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies; obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations (if permitted by the District's policy).

Investments are stated at fair value.

K. Accounts receivable

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

L. Inventories and prepaid items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

M. Other assets/restricted assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements as their use is limited by applicable bond covenants.

In the District-wide financial statements, bond discounts and premiums are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

N. Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 1975. For assets acquired prior to June 30, 1975, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction-in-progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and building improvements	\$ 50,000	Straight line	50 years
Site improvements	\$ 25,000	Straight line	20 years
Furniture and equipment	\$ 1,000	Straight line	5-20 years

O. Deferred outflows of resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District could have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (NYSTRS and NYSERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

P. Deferred inflows of resources

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District could have four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue - property taxes. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability (NYSTRS and NYSERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.



Q. Unearned revenues

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures or prepayments are received in the School Lunch Fund to be applied against future meal purchases. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

R. Vested employee benefits - compensated absences

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

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

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

Consistent with GASB Pronouncements, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

S. Other benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose 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 (see Note 13 for more information).

T. 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 RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

As of June 30, 2021, the District does not have any outstanding RAN's, TAN's, BAN's or deficiency notes. See Note 9 for additional disclosure regarding the District's short-term debt.

U. Accrued liabilities and long-term obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

V. Equity classificationsDistrict-wide financial statements

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

1. Net investment in capital assets: Consists of capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
2. Restricted net position: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position: Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

#### Fund financial statements

In the fund financial statements there are five classifications of fund balance:

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenses recorded in the General Fund of \$8,941 and inventory recorded in the School Lunch Fund of \$20,300.
2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

#### Capital Reserve

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

The District received voter approval to establish a capital reserve fund in 2015 at a maximum amount not to exceed \$20,000,000 (including accumulated interest of \$365,089). \$8,515,089 is currently in the Capital Reserve, \$11,850,000 has been transferred to the Capital Projects Fund and the reserve has no available funding remaining.

#### Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

Unemployment Insurance

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

Workers' Compensation

According to General Municipal Law §6-j, must be 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. This reserve is accounted for in the General Fund.

Insurance

According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

Retirement Contribution

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund and includes \$7,476,877 reserved for NYSERS and \$1,356,291 reserved for NYSTRS.

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

4. Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.
5. Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts have been restricted or assigned.

Fund balances for all governmental funds as of June 30, 2021 were distributed as follows:

	General	School Lunch	Other Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
<b>Nonspendable:</b>					
Inventory	\$ -	\$ 20,300	\$ -	\$ -	\$ 20,300
Prepaid expenses	8,941	-	-	-	8,941
<b>Total nonspendable</b>	<b>8,941</b>	<b>20,300</b>	<b>-</b>	<b>-</b>	<b>29,241</b>
<b>Restricted:</b>					
Capital Reserve	8,515,089	-	-	-	8,515,089
Employee Benefit Accrued Liability	4,896,720	-	-	-	4,896,720
Unemployment Insurance	618,453	-	-	-	618,453
Workers' Compensation	28,823	-	-	-	28,823
Insurance	413,040	-	-	-	413,040
Retirement Contribution	8,833,168	-	-	-	8,833,168
Extraclassroom Activity Funds	-	-	194,452	-	194,452
Scholarships	-	-	81,160	-	81,160
District Improvements	-	-	-	12,081,917	12,081,917
<b>Total restricted</b>	<b>23,305,293</b>	<b>-</b>	<b>275,612</b>	<b>12,081,917</b>	<b>35,662,822</b>
<b>Assigned:</b>					
Appropriated for subsequent year's expenditures	3,000,000	-	-	-	3,000,000
Encumbrances	777,710	-	-	-	777,710
School Lunch Fund	-	541,340	-	-	541,340
<b>Total assigned</b>	<b>3,777,710</b>	<b>541,340</b>	<b>-</b>	<b>-</b>	<b>4,319,050</b>
<b>Unassigned</b>	<b>6,987,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,987,682</b>
<b>Total</b>	<b>\$ 34,079,626</b>	<b>\$ 561,640</b>	<b>\$ 275,612</b>	<b>\$ 12,081,917</b>	<b>\$ 46,998,795</b>

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.



Order of use of fund balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either restricted or assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Sometimes the District will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the District-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

2. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The categories are shown below:

1. **Long-term revenue/expense differences**

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

2. Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund financial 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 financial statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

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

4. Pension differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

5. OPEB differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

3. CHANGE IN ACCOUNTING PRINCIPLE

Effective for the 2021 fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*, which provides clearer guidance on identifying fiduciary activities for accounting and reporting purposes. Upon implementation of the statement, the District moved some of its fiduciary assets and liabilities residing in the fiduciary funds to the General Fund of the District. Also, the District created a new governmental fund titled Other Miscellaneous Special Revenue Fund to account for the District's student groups, scholarships and extraclassroom activity funds which were previously accounted for in the fiduciary funds. Implementation of this statement required a prior period adjustment (see Note 16).

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYBudgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

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

The following supplemental appropriations occurred during the year:

Board approved use of the Capital Reserve	\$ 5,350,000
American Rescue Plan Act funding	300,000
AP exams	77,287
Fall drivers' education tuition	48,800
NYSSMA	13,000
PTA arts-in-education	11,483
SAT exams	8,777
Miscellaneous	3,825
	<u>\$ 5,813,172</u>

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the year ended June 30, 2021.

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

#### 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 restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

#### **5. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS**

The District's aggregate bank balances, including balances not covered by depository insurance at year-end, are collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$ 43,042,855
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Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$29,807,327 within the governmental funds.

#### Investment and deposit policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Official of the District.

#### Interest rate risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Credit risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

#### Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

## 6. INVESTMENTS

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodology used for investments measured at fair value:

Cash and cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	<u>Cost</u>	<u>Fair Value</u>
Domestic fixed income	<u>\$ 15,315</u>	<u>\$ 17,458</u>

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

At year-end, the District held \$17,458 in investments consisting of various investments in securities issued by the United States and its agencies.

**7. RECEIVABLES**

Receivables at year end are as follows:

**A. State and federal aid**

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

## General Fund:

BOCES aid	\$ 837,673
New York State Aid - excess cost aid	833,588

## Special Aid Fund:

State and federal grants	6,299,456
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## School Lunch Fund:

School breakfast, lunch and snack reimbursement	560,409
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\$ 8,531,126

**B. Taxes receivable**

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

## General Fund:

Town of Oyster Bay - uncollected taxes	<u>\$ 2,261,038</u>
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District management has deemed the amounts to be fully collectible.

**8. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 3,738,074	\$ -	\$ -	\$ 3,738,074
Construction-in-progress	25,401,243	14,350,928	(2,648,540)	37,103,631
Total nondepreciable assets	<u>29,139,317</u>	<u>14,350,928</u>	<u>(2,648,540)</u>	<u>40,841,705</u>
Capital assets that are depreciated:				
Buildings and building improvements	124,948,424	247,184	2,015,887	127,211,495
Furniture and equipment	9,010,323	2,115,196	(1,165,049)	9,960,470
Total depreciable assets	<u>133,958,747</u>	<u>2,362,380</u>	<u>850,838</u>	<u>137,171,965</u>
Less accumulated depreciation:				
Buildings and building improvements	58,373,998	2,355,147	(610,212)	60,118,933
Furniture and equipment	4,816,460	688,871	(1,137,460)	4,367,871
Total accumulated depreciation	<u>63,190,458</u>	<u>3,044,018</u>	<u>(1,747,672)</u>	<u>64,486,804</u>
Total capital assets, net	<u>\$ 99,907,606</u>	<u>\$ 13,669,290</u>	<u>\$ (50,030)</u>	<u>\$ 113,526,866</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 347,763
Instruction	2,683,140
Pupil transportation	13,115
	<u>\$ 3,044,018</u>

## 9. SHORT-TERM DEBT

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN matured on 9/18/2020 at 2.00%	<u>\$ 17,810,252</u>	<u>\$ -</u>	<u>\$ 17,810,252</u>	<u>\$ -</u>

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

Interest paid	<u>\$ 355,215</u>
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## 10. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	\$ 2,175,000	\$ 32,485,000	\$ 2,175,000	\$ 32,485,000	\$ 620,000
Unamortized bond premiums	166,307	3,518,462	166,307	3,518,462	175,923
Total bonds payable	2,341,307	36,003,462	2,341,307	36,003,462	795,923
Energy performance contract debt payable	11,842,540	-	1,003,929	10,838,611	1,028,269
Workers' compensation claims payable	1,415,645	1,079,794	800,058	1,695,381	169,538
Compensated absences	4,890,646	6,074	-	4,896,720	489,672
Total long-term liabilities	<u>\$ 20,490,138</u>	<u>\$ 37,089,330</u>	<u>\$ 4,145,294</u>	<u>\$ 53,434,174</u>	<u>\$ 2,483,402</u>

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately. The General Fund is typically used to liquidate the liabilities above.

The following is a summary of long-term indebtedness:

**FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/2021	
Serial bonds	2020	2041	2.00 - 5.00%	<u>\$ 32,485,000</u>	
Energy Performance Contract	2015	2031	2.41%	<u>\$ 10,838,611</u>	
	Serial Bonds		Energy Performance Contract		
	Principal	Interest	Principal	Interest	Total
June 30,					
2022	\$ 620,000	\$ 1,532,894	\$ 1,028,269	\$ 255,052	\$ 3,436,215
2023	1,165,000	975,975	1,053,200	230,122	3,424,297
2024	1,225,000	916,225	1,078,735	204,587	3,424,547
2025	1,285,000	853,475	1,104,889	178,433	3,421,797
2026	1,350,000	787,600	1,131,677	151,644	3,420,921
2027-2031	7,785,000	2,849,075	5,441,841	333,106	16,409,022
2032-2036	9,075,000	1,467,650	-	-	10,542,650
2037-2041	9,980,000	505,700	-	-	10,485,700
	<u>\$ 32,485,000</u>	<u>\$ 9,888,594</u>	<u>\$ 10,838,611</u>	<u>\$ 1,352,944</u>	<u>\$ 54,565,149</u>

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

Interest paid	\$ 332,768
Less interest accrued in the prior year	(61,253)
Plus interest accrued in the current year	157,716
Less amortization of premiums/discounts	<u>(166,307)</u>
Total interest expense	<u>\$ 262,924</u>

**Bonds payable** - The District borrows money in order to acquire equipment or for capital construction and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities bear interest at various rates from 2.00% to 5.00% and have maturity dates in 2041.

**Energy performance contract payable** - During 2015, the District entered into a \$15,885,003 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with semi-annual installments aggregating \$1,283,322 per annum. Payments include interest at 2.41%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2021 was \$10,838,611.

**Other long-term debt** - Liabilities for workers' compensation are liquidated through future budgetary appropriations in the General Fund. The liabilities for compensated absences are liquidated through future budgetary appropriation in the funds that gave rise to the liability, with the majority being liquidated through the General Fund.

**11. PENSION PLANS****General information**

The District participates in the New York State Teachers' Retirement System ("NYSTRS") and the New York State and Local Employees' Retirement System ("NYSERS"). These are cost-sharing, multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

**Provisions and administration**

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers NYSTRS. NYSTRS 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 NYSTRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

NYSERS provides retirement benefits as well as death and disability benefits. The net position of the System 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 System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL governs obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

**Funding policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under NYSERS tier VI vary based on a sliding salary scale. For NYSTRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the NYSERS' fiscal year ended March 31.



The District share of the required contributions, based on covered payroll for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSERS	NYSTRS
2021	\$ 2,654,122	\$ 6,008,370
2020	2,609,418	7,051,427
2019	2,470,589	6,331,397

Pension assets, liabilities, pension expense, 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 NYSTRS and March 31, 2021 for NYSERS. 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 NYSTRS and NYSERS Systems in reports provided to the District:

	NYSERS	NYSTRS
Measurement date	March 31, 2021	June 30, 2020
Net pension asset/(liability)	\$ (50,474)	\$ (11,040,364)
District's portion of the Plan's total net pension asset/(liability)	(0.050690%)	(0.399540%)
Change in proportion since the prior measurement date	(0.000260%)	0.001750%

For the year ended June 30, 2021, the District recognized pension expense of \$5,146,409 for NYSERS and \$12,915,214 for NYSTRS. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

	Deferred Outflows of Resources - NYSERS	Deferred Outflows of Resources - NYSTRS	Deferred Inflows of Resources - NYSERS	Deferred Inflows of Resources - NYSTRS
Difference between expected experience and actual experience	\$ 616,426	\$ 9,673,568	\$ -	\$ (565,797)
Changes in assumptions	9,280,568	13,963,492	(175,034)	(4,977,255)
Net difference between projected and actual earnings on pension plan investments	-	7,210,326	(14,499,148)	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,269,278	608,977	(26,902)	(151,237)
Employer contributions subsequent to the measurement date	745,170	6,575,249	-	-
Total	<u>\$ 11,911,442</u>	<u>\$ 38,031,612</u>	<u>\$ (14,701,084)</u>	<u>\$ (5,694,289)</u>

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

	NYSERS	NYSTRS
<u>Year ended June 30,</u>		
2022	\$ (374,834)	\$ 4,462,706
2023	61,536	8,843,796
2024	(536,331)	7,274,748
2025	(2,685,183)	4,509,320
2026	-	176,896
Thereafter	-	494,608

Actuarial assumptions

The total pension asset/(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 asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>NYSERS</u>	<u>NYSTRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	*Rates of increase differ based on service
Decrement tables	April 1, 2015 to March 31, 2020 System's Experience	July 1, 2009 to June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%

\*The salary scale used for NYSTRS changes based upon levels of service as defined below:

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

For NYSTRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. For NYSERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

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

The long-term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	NYSERS		NYSTRS	
	Target allocation	Long-term rate	Target allocation	Long-term rate
	March 31, 2021	March 31, 2021	June 30, 2020	June 30, 2020
Asset type				
Cash	1.00%	0.50%	1.00%	0.70%
Credit	4.00%	3.63%	-	-
Domestic equity	32.00%	4.05%	33.00%	7.10%
Domestic fixed income	-	-	16.00%	1.80%
Fixed income	23.00%	0.00%	-	-
Global equities	-	-	4.00%	7.40%
Global fixed income	-	-	2.00%	1.00%
High-yield fixed income	-	-	1.00%	3.90%
International equity	15.00%	6.30%	16.00%	7.70%
Opportunistic portfolio	3.00%	4.50%	-	-
Private debt	-	-	1.00%	5.20%
Private equity	10.00%	6.75%	8.00%	10.40%
Real assets	3.00%	5.95%	-	-
Real estate debt	-	-	7.00%	3.60%
Real estate equities	9.00%	4.95%	11.00%	6.80%
	<u>100.00%</u>		<u>100.00%</u>	

#### Discount rate

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

#### Sensitivity of the proportionate share of the net pension asset/(liability) to the discount rate assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for NYSERS and 7.10% for NYSTRS, 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 (4.90% for NYSERS and 6.10% for NYSTRS) or 1 percentage point higher (6.90% for NYSERS and 8.10% for NYSTRS) than the current rate:

	1% Decrease (4.90%)	Current assumption (5.90%)	1% Increase (6.90%)
<b><u>NYSERS</u></b>			
Employer's proportionate share of the net pension asset/(liability)	\$ (14,009,671)	\$ (50,474)	\$ 12,823,173
	1% Decrease (6.10%)	Current assumption (7.10%)	1% Increase (8.10%)
<b><u>NYSTRS</u></b>			
Employer's proportionate share of the net pension asset/(liability)	\$ (69,738,178)	\$ (11,040,364)	\$ 38,221,976

Pension plan fiduciary net position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	NYSERS	NYSTRS	Total
Valuation date	April 1, 2020	June 30, 2019	
Employers' total pension liability	\$ 220,680,157	\$ 123,242,776	\$ 343,922,933
Plan net position	220,580,583	120,479,505	341,060,088
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (2,763,271)</u>	<u>\$ (2,862,845)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	99.95%	97.76%	99.17%

Payables to the pension plan

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the system in September, October and November 2020 through a State aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued employer retirement contributions as of June 30, 2021 amounted to \$6,575,249.

For NYSERS, 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 NYSERS covered wages multiplied by the employer's contribution rate, by tier. Accrued employer retirement contributions as of June 30, 2021 amounted to \$745,170. Employee contributions are remitted monthly.

12. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	Interfund			
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 6,872,522	\$ 9,005,216	\$ -	\$ 6,885,613
Special Aid Fund	-	6,441,395	385,613	300,000
School Lunch Fund	-	431,127	300,000	-
Capital Projects Fund	9,005,216	-	6,500,000	-
Totals	<u>\$ 15,877,738</u>	<u>\$ 15,877,738</u>	<u>\$ 7,185,613</u>	<u>\$ 7,185,613</u>

Interfund receivables and payables, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

**13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")****A. General information about the OPEB plan**Plan description

The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent of 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

As of July 1, 2019, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	670
Active plan members	<u>728</u>
Total plan members	<u><u>1,398</u></u>

**B. Total OPEB liability**

The District's total OPEB liability of \$431,281,458 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions and other inputs

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

Inflation	2.50%
Salary increases	3.00% average, including inflation
Discount rate	2.09%
Healthcare cost trend rates	7.00% for 2019, decreasing 0.25% per year to an ultimate rate of 4.5% in 2031
Retirees' share of benefit-related costs	0% to 20% of projected health insurance premiums for retirees

The discount rate was based on the average of the Bond Buyer-20 Bond GO Index, S&P Municipal Bond 20 Year High Grade Rate Index, and the Fidelity GA AA 20 Year Index as of June 30, 2021.



Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

C. Changes in the total OPEB liability

Balance as of June 30, 2020	\$ 393,277,009
<u>Changes for the year -</u>	
Service cost	7,616,741
Interest	8,121,217
Change in assumptions or other inputs	31,670,574
Benefit payments	(9,404,083)
Net changes	38,004,449
Balance as of June 30, 2021	\$ 431,281,458

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 one percentage point lower (1.09%) or one percentage point higher (3.09%) than the current discount rate:

	1% Decrease (1.09%)	Current assumption (2.09%)	1% Increase (3.09%)
Total OPEB liability as of June 30, 2021	\$ 542,396,664	\$ 431,281,458	\$ 350,379,759

Sensitivity of the total OPEB liability to changes in 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00% decreasing to 3.50%)	Current assumption (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Total OPEB liability as of June 30, 2021	\$ 341,266,021	\$ 431,281,458	\$ 556,426,618

D. OPEB expense, 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 \$36,182,317. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - OPEB	Deferred Inflows of Resources - OPEB
Changes of assumptions	\$ 89,307,697	\$ -

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

<u>Year ended June 30,</u>	
2022	\$ 20,444,359
2023	20,444,359
2024	20,444,359
2025	20,444,359
2026	6,934,659
Thereafter	595,602

#### 14. RISK MANAGEMENT

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

The District participates in New York Schools Insurance Reciprocal ("NYSIR"), a non-risk-retained public entity risk pool for its District 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 has established a self-insured plan for risks associated with Workers' Compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. General Fund liabilities only include amounts for reported claims and do not include claims which were incurred on or before year end but not reported ("IBNR").

Claims activity is summarized below:

	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
Incurred but not reported for the fiscal years ended June 30:				
2021	\$ 1,415,645	\$ 1,079,794	\$ 800,058	\$ 1,695,381
2020	1,332,487	429,959	346,801	1,415,645
2019	889,539	546,143	103,195	1,332,487

The District has not purchased any annuity contracts.

**15. CONTINGENCIES AND COMMITMENTS**Encumbrances

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

Assigned: Unappropriated Fund Balance	
General Fund	
General support	\$ 673,896
Instruction	102,374
Pupil transportation	<u>1,440</u>
	<u>\$ 777,710</u>

Government 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 years' experience, the District's administration believes disallowances, if any, would be immaterial.

Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years through at least June 15, 2020, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent, plus the inflation factor (but not less than 0 percent), whichever is less, with some exceptions. The New York State Comptroller set the allowable levy growth factor for local governments for fiscal years beginning July 1, 2020 at 1.81% (before exemptions). School districts can exceed the tax levy limit by a 60% vote of the governing body, subject to 60% voter approval.

Litigation

The District is involved in lawsuits arising from the normal conduct of business. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time. It is the opinion of the District's attorneys that this will not exceed insurance coverage.

Library operations

The District collects property taxes on behalf of the Farmingdale Public Library (the "Library"). Under the terms of the agreement, the District has agreed to levy taxes on behalf of the Library and any payment to be remitted directly from the District to the Library according to a time schedule established in the agreement. The District owns the building the Library occupies and has accounted for the building within capital assets. Carrying value amounts to \$4,565,294 as of June 30, 2021. In addition, the District also holds title to the land on which the Library occupies, carrying value amounts to \$1,295,000. Certain costs are incurred by the District, however they are not material to the financial statements.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The extent of the impact of COVID-19 on the District's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

**16. PRIOR PERIOD ADJUSTMENT**

The District's financial statements for the year ended June 30, 2020 have been restated as of July 1, 2020 to give effect to the following:

	<u>Fund Balance</u>	<u>Net Position</u>
Balance as of July 1, 2020, as previously stated	\$ 20,807,659	\$ (188,735,710)
GASB Statement No. 84 implementation:		
Add: Other Miscellaneous Special Revenue Fund fund balance (calculated under GASB 84)	<u>296,740</u>	<u>296,740</u>
Balance as of July 1, 2020, as restated	<u>\$ 21,104,399</u>	<u>\$ (188,438,970)</u>

**17. TAX ABATEMENTS**

The District's property taxes were reduced by \$11,117,518 under agreements entered into by Nassau County and the Town of Babylon. Of the amount reduced, \$2,366,244 and \$1,894,116 were collected via PILOT payments from Nassau County and the Town of Babylon, respectively. Taxes from Nassau County and the Town of Babylon in the amounts of \$5,163,311 and \$1,693,847, respectively, were abated from the District's property taxes.

**18. FUTURE ACCOUNTING STANDARDS**

The District will evaluate the impact each of these upcoming pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective:

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective Fiscal Year</u>
Statement No. 87	Leases	June 30, 2022
Statement No. 89	Accounting For Interest Cost Incurred Before The End Of A Construction Period	June 30, 2022
Statement No. 91	Conduit Debt Obligations	June 30, 2023

The District has studied these upcoming pronouncements and is not anticipating any material impact to the financial statements as presented.

**19. SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of October 12, 2021, which is the date the financial statements were available to be issued, noting no matters requiring further consideration.

REQUIRED  
SUPPLEMENTARY  
INFORMATIONFARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Year-end Encumbrances	Variance Better (Worse)
<b>REVENUES</b>					
Local sources:					
Real property taxes	\$ 129,693,583	\$ 129,693,583	\$ 116,650,729		\$ (13,042,854)
Other tax items	4,210,186	4,210,186	17,367,553		13,157,367
Charges for services	380,000	531,689	354,919		(176,770)
Intergovernmental revenue	440,000	440,000	742,494		302,494
Use of money and property	250,000	250,000	134,900		(115,100)
Insurance recoveries	110,000	110,000	782,452		672,452
Miscellaneous	340,000	351,483	793,029		441,546
Total local sources	135,423,769	135,586,941	136,826,076		1,239,135
State sources	32,002,838	32,002,838	31,586,479		(416,359)
Federal sources	150,000	150,000	712,433		562,433
Total revenues	167,576,607	167,739,779	169,124,988		1,385,209
<b>EXPENDITURES</b>					
General support:					
Board of Education	122,574	123,874	98,419	\$ 620	24,835
Central administration	420,248	425,583	417,303	-	8,280
Finance	1,411,000	1,403,766	1,265,556	51,550	86,660
Staff	1,310,531	1,124,564	915,337	-	209,227
Central services	15,362,568	15,619,890	12,853,854	621,726	2,144,310
Special items	1,824,000	1,827,400	1,700,252	-	127,148
Total general support	20,450,921	20,525,077	17,250,721	673,896	2,600,460
Instruction:					
Instruction, administration and improvement	8,928,078	9,415,986	9,103,578	47,731	264,677
Teaching - regular school	47,964,317	48,137,257	46,269,036	37,818	1,830,403
Programs for children with handicapping conditions	26,134,136	26,874,955	26,652,520	1,150	221,285
Teaching - special school	349,798	400,266	199,077	-	201,189
Instructional media	5,500,742	6,102,769	5,267,779	5,971	829,019
Pupil services	7,474,260	7,991,350	7,256,913	9,704	724,733
Total instruction	96,349,331	98,922,583	94,748,903	102,374	4,071,306
Pupil transportation	9,677,976	9,811,606	9,498,299	1,440	311,867
Community services	68,300	38,359	15,077	-	23,282
Employee benefits	42,236,738	39,613,200	39,411,362	-	201,838
Debt service:					
Principal	3,178,929	3,178,929	3,178,929	-	-
Interest	687,984	687,984	687,983	-	1
Total expenditures	172,650,179	172,777,738	164,791,274	777,710	7,208,754
<b>OTHER FINANCING USES</b>					
Transfers out	1,500,000	7,185,613	6,885,613	-	300,000
Total expenditures and other financing uses	174,150,179	179,963,351	171,676,887	\$ 777,710	7,508,754
Net change in fund balance	\$ (6,573,572)	\$ (12,223,572)	(2,551,899)		\$ 8,893,963
Fund balance, beginning of year			36,631,525		
Fund balance, end of year			\$ 34,079,626		

Note to Required Supplementary InformationBudget 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.



REQUIRED  
SUPPLEMENTARY  
INFORMATIONFARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FOUR FISCAL YEARS

Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	\$ 7,616,741	\$ 6,539,074	\$ 2,948,627	\$ 2,862,745
Interest	8,121,217	7,102,806	10,035,481	9,852,428
Changes in assumptions or other inputs	31,670,574	93,346,679	-	-
Benefit payments	<u>(9,404,083)</u>	<u>(9,620,275)</u>	<u>(7,606,801)</u>	<u>(7,363,384)</u>
Net change in total OPEB liability	38,004,449	97,368,284	5,377,307	5,351,789
Total OPEB liability - beginning of year	<u>393,277,009</u>	<u>295,908,725</u>	<u>290,531,418</u>	<u>285,179,629</u>
Total OPEB liability - end of year	<u>\$ 431,281,458</u>	<u>\$ 393,277,009</u>	<u>\$ 295,908,725</u>	<u>\$ 290,531,418</u>
Covered payroll	\$ 71,480,776	\$ 71,480,776	\$ 70,052,388	\$ 70,052,388
Total OPEB liability as a percentage of covered payroll	603.35%	550.19%	422.41%	414.73%

**Note to Required Supplementary Information**

Ten years of historical information was not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The District has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow school districts to establish this type of trust. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

FARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) - NYSERS & NYSTRS  
LAST TEN FISCAL YEARS\*

(Dollar amounts in thousands)

	(C) 2021	(B) (F) 2020	2019	(E) 2018	(D) 2017	(A) 2016	2015	2014	**2013	**2012
<b><u>NYSERS</u></b>										
District's proportionate share of the net pension liability	0.05069%	0.05095%	0.04892%	0.04865%	0.04893%	0.05326%	0.05525%	0.07390%	N/A	N/A
District's proportionate share of the net pension liability	\$ (50)	\$ (13,493)	\$ (3,466)	\$ (1,570)	\$ (4,598)	\$ (8,549)	\$ (1,866)	\$ (2,497)	N/A	N/A
District's covered payroll	\$ 19,030	\$ 18,283	\$ 18,375	\$ 16,915	\$ 16,539	\$ 16,163	\$ 16,290	\$ 15,106	N/A	N/A
District's proportionate share of the net pension liability as a percentage of covered payroll	0.27%	73.80%	18.87%	9.28%	27.80%	52.89%	11.45%	16.53%	N/A	N/A
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%	97.20%	N/A	N/A

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

**NYSTRS**

District's proportionate share of the net pension asset/(liability)	0.39954%	0.39779%	0.39663%	0.40742%	0.40847%	0.40894%	0.41909%	0.41698%	N/A	N/A
District's proportionate share of the net pension asset/(liability)	\$ (11,040)	\$ 10,335	\$ 7,172	\$ 3,097	\$ (4,375)	\$ 46,684	\$ 46,684	\$ 2,745	N/A	N/A
District's covered payroll	\$ 79,587	\$ 59,618	\$ 77,212	\$ 71,314	\$ 81,207	\$ 57,387	\$ 44,738	\$ 61,402	N/A	N/A
District's proportionate share of the net pension asset/(liability) as a percentage of covered payroll	13.87%	17.34%	9.29%	4.34%	5.39%	81.35%	104.35%	4.47%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension asset/(liability)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%	N/A	N/A

\* The amounts presented for each fiscal year were determined (bi-annually) as of June 30.

- (A) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.
- (B) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
- (C) The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9% effective with the March 31, 2021 measurement date.
- (D) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.
- (E) The discount rate used to calculate the total pension asset was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.
- (F) The discount rate used to calculate the total pension asset was decreased from 7.25% to 7.10% effective with the June 30, 2019 measurement date.

\*\*Note to Required Supplementary Information

Ten years of historical information was not available upon implementation of GASB Statement No. 68. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

FARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS - NYSTERS & NYSTRS  
LAST TEN FISCAL YEARS  
(Dollar amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	*2013	*2012
<b><u>NYSTERS</u></b>										
Contractually required contribution	\$ 2,654	\$ 2,609	\$ 2,471	\$ 2,508	\$ 2,514	\$ 2,902	\$ 3,391	\$ 2,828	N/A	N/A
Contributions in relation to the contractually required contribution	2,654	2,609	2,471	2,508	2,514	2,902	3,391	2,828	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
District's covered payroll	\$ 20,219	\$ 18,340	\$ 18,419	\$ 17,012	\$ 16,539	\$ 16,163	\$ 16,290	\$ 15,106	N/A	N/A
Contributions as a percentage of covered payroll	13.13%	14.23%	13.41%	14.74%	15.20%	17.95%	20.82%	18.72%	N/A	N/A
<b><u>NYSTRS</u></b>										
Contractually required contribution	\$ 6,008	\$ 7,051	\$ 6,331	\$ 7,567	\$ 8,358	\$ 10,768	\$ 10,060	\$ 7,270	N/A	N/A
Contributions in relation to the contractually required contribution	6,008	7,051	6,331	7,567	8,358	10,768	10,060	7,270	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
District's covered payroll	\$ 63,047	\$ 79,587	\$ 59,618	\$ 77,214	\$ 71,314	\$ 81,207	\$ 57,387	\$ 44,738	N/A	N/A
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	N/A	N/A

\*Note to Required Supplementary Information

Ten years of historical information was not available upon implementation of GASB Statement No. 68. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

OTHER  
SUPPLEMENTARY  
INFORMATION

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE 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	\$ 173,076,607	
Add: Prior year's encumbrances	<u>1,073,572</u>	
Original budget		\$ 174,150,179
Budget revisions:		
Board approved use of the Capital Reserve	5,350,000	
American Rescue Plan Act funding	300,000	
AP exams	77,287	
Fall drivers' education tuition	48,800	
NYSSMA	13,000	
PTA arts-in-education	11,483	
SAT exams	8,777	
Miscellaneous	<u>3,825</u>	<u>5,813,172</u>
Final budget		<u>\$ 179,963,351</u>
<b>§1318 of real property tax law limit calculation:</b>		
2021-22 voter-approved expenditure budget		<u>\$ 174,915,558</u>
Maximum allowed (4% of total 2021-22 budget)		<u>\$ 6,996,622</u>
Fund balance subject to §1318 of real property tax law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 3,777,710	
Unassigned fund balance	<u>6,987,682</u>	\$ 10,765,392
Less:		
Appropriated fund balance	3,000,000	
Encumbrances	<u>777,710</u>	<u>3,777,710</u>
Fund balance subject to §1318 of real property tax law		<u>\$ 6,987,682</u>
Actual percentage		<u>4.0%</u>

FARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING SOURCES - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2021

Project Title	Expenditures				Methods of Financing						Fund Balance June 30, 2021
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	
Unassigned (Capital Reserve Excess)	\$ -	\$ 13,183	\$ -	\$ -	\$ -	\$ 13,183	\$ -	\$ -	\$ -	\$ 13,183	\$ 13,183
Unassigned (Capital Reserve 2020 Drawdown)	1,743,250	17,467,255	1,176,384	8,523,017	9,799,361	7,667,874	17,467,255	-	2,604,319	2,604,319	2,604,319
Howitt Aquatic Center	10,804,178	14,585,570	14,361,335	224,235	14,585,570	-	17,487,255	-	-	17,487,255	7,667,874
Howitt Athletic Fields	2,480,300	2,384,289	2,384,289	-	2,384,289	-	14,585,570	-	-	14,585,570	-
High School Athletic Fields	466,100	21,258	21,258	-	21,258	-	2,384,289	-	-	2,384,289	-
Albany Avenue Athletic Fields	476,720	28,530	28,530	-	28,530	-	21,258	-	-	21,258	-
Northside Athletic Fields	986,480	939,231	939,231	-	939,231	-	28,530	-	-	28,530	-
Salzman East Memorial Athletic Fields	783,520	732,865	732,865	-	732,865	-	939,231	-	-	939,231	-
Woodward Parkway Athletic Fields	227,852	389,403	114,869	187,669	302,558	86,845	732,865	-	-	732,865	-
Howitt East Bathroom Project	1,117,853	1,220,352	360,052	487,113	847,165	373,187	-	-	1,220,352	1,220,352	373,187
Albany Avenue Bathroom Project	559,430	1,207,405	215,608	591,733	807,341	400,064	-	-	1,207,405	1,207,405	400,064
Woodward Parkway Bathroom Project	887,515	1,309,013	222,103	453,726	675,829	633,184	-	-	1,309,013	1,309,013	633,184
High School Bathroom Project	357,536	803,811	233,541	357,489	591,040	212,571	-	-	803,811	803,811	212,571
Northside Bathroom Project	1,016,707	1,387,581	238,760	855,015	1,093,805	273,778	-	-	1,387,581	1,387,581	273,778
Salzman East Memorial Bathroom Project	849,004	1,098,317	168,468	377,000	565,468	532,829	-	-	1,098,317	1,098,317	532,829
Howitt West Bathroom Project	742,860	1,287,982	1,282,449	5,633	1,287,982	-	-	-	1,287,982	1,287,982	-
High School Maintenance Building Parking Lot	99,000	109,353	4,287	74,319	79,616	30,737	-	-	-	-	(78,616)
High School Library A/C Excal Project	1,650,000	2,178,973	1,846,823	528,973	2,177,796	1,177	-	-	2,178,720	2,178,720	1,924
Smart Schools Bond Work	2,563,365	2,563,365	-	989,223	989,223	1,574,142	-	-	-	-	1,924
Smart Schools Bond	26,244	26,244	-	26,244	26,244	-	-	-	26,244	26,244	(989,223)
Howitt Dugout Project	264,372	264,372	-	264,372	264,372	-	-	-	264,372	264,372	-
High School Hydraulic Elevator Project	100,000	59,681	-	59,681	59,681	-	-	-	59,681	59,681	-
Howitt East Boiler Repair	285,293	284,720	-	284,720	284,720	-	-	-	284,720	284,720	-
Howitt West Ceiling Replacement	31,506	31,506	-	31,506	31,506	-	-	-	31,506	31,506	-
High School Fire Alarm Upgrade	-	350,000	-	-	-	350,000	-	-	350,000	350,000	350,000
Energy Performance Contract (Construction Management)	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 28,259,193	\$ 50,684,059	\$ 24,152,612	\$ 14,381,678	\$ 38,534,490	\$ 12,149,569	\$ 38,139,968	\$ -	\$ 14,477,409	\$ 50,616,407	\$ 12,081,917

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021**

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Capital assets, net \$ 113,526,866

Add:

Cash balances from bond proceeds 5,971,412

Deduct:

Short-term portion of bonds payable, net \$ (795,923)

Long-term portion of bonds payable, net (35,207,539)

Short-term portion of installment purchase debt payable (1,028,269)

Long-term portion of installment purchase debt payable (9,810,342) (46,842,073)

Net investment in capital assets \$ 72,656,205

Attachment: Financial Statements - Year Ending 6-30-21 (8431 : Acceptance of Independent Audit Report - Year Ending June 30, 2021)



**FARMINGDALE UNION FREE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/ Pass - Through Grantor/ Cluster Title/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Education</u></b>			
<b><u>Passed Through Programs From:</u></b>			
New York State Department of Education			
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-20-0471	\$ 73,041
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-21-0471	892,482
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-21-0471	<u>57,049</u>
Total Special Education Cluster			1,022,572
Title I, Part A Cluster:			
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0011-20-2066	19,958
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0011-21-2066	228,093
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-20-1715	36,960
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-21-1715	<u>264,592</u>
Total Title I, Part A Cluster			549,603
CARES Act, Education Stabilization Fund Cluster:			
CARES Act, ESF, Governor's Emergency Education Relief Fund	84.425C	5895-21-1715	66,383
CARES Act, ESF, Governor's Emergency Education Relief Fund	84.425C	5896-21-1715	583,623
CARES Act, ESF, Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-1715	391,677
CARES Act, ESF, Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-1715	446,811
CARES Act, ESF, American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-1715	<u>2,817,086</u>
Total CARES Act, Education Stabilization Fund Cluster			4,305,580
ESEA, Title II, Part A, Improving Teacher Quality State Grants	84.367A	0147-20-1715	1,700
ESEA, Title II, Part A, Improving Teacher Quality State Grants	84.367A	0147-21-1715	104,194
ESEA, Title III, Part A, Immigrant Education	84.365A	0149-20-1715	32,871
ESEA, Title III, Part A, English Language Acquisition Grants	84.365A	0293-20-1715	3,563
ESEA, Title III, Part A, English Language Acquisition Grants	84.365A	0293-21-1715	14,199
ESEA, Title IV, Student Support And Academic Enrichment Program	84.424A	0204-21-1715	<u>27,743</u>
Total U.S. Department of Education			<u>6,062,025</u>
<b><u>U.S. Department of Agriculture</u></b>			
<b><u>Direct Program:</u></b>			
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	43,683
<b><u>Passed Through Programs From:</u></b>			
New York State Office of General Services			
Child Nutrition Cluster:			
Summer Food Service Program For Children	10.559	N/A	<u>1,747,252</u>
Total U.S. Department of Agriculture			<u>1,790,935</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<u><u>\$ 7,852,960</u></u>

The accompanying notes should be read  
in conjunction with this schedule

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Farmingdale Union Free School District (the "District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

**2. BASIS OF ACCOUNTING**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

**3. INDIRECT COSTS**

The Farmingdale Union Free School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**4. SUBRECIPIENTS**

No amounts were provided to subrecipients.

**5. OTHER DISCLOSURES**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

**6. MAJOR PROGRAM DETERMINATION**

The District was deemed to be a "low-risk auditee", therefore, major programs were determined based on 20% of total federal award expenditures.



**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 of the  
 Farmingdale Union Free School District  
 Towns of Oyster Bay and Babylon, 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 and each major fund of the Farmingdale Union Free School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2021.

***Internal Control Over Financial Reporting***

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

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

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

# NawrockiSmith

## ***Compliance and Other Matters***

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

Hauppauge, New York  
October 12, 2021

*Nawrocki Smith LLP*



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of the  
Farmingdale Union Free School District  
Towns of Oyster Bay and Babylon, New York:

***Report on Compliance For Each Major Federal Program***

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

# NawrockiSmith

## ***Report on Internal Control Over Compliance***

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

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

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

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

Hauppauge, New York  
October 12, 2021





J FREE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

**1. Summary Of Auditor's Results:**

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies or material weaknesses were reported during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit of the financial statements.
4. No significant deficiencies or material weaknesses were reported during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance, were disclosed during the audit.
7. The programs tested as major programs included:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	<u>U.S. Department of Education</u>
84.425C	CARES Act, ESF, Governor's Emergency Education Relief Fund
84.425D	CARES Act, ESF, Elementary and Secondary School Emergency Relief Fund
84.425U	CARES Act, ESF, American Rescue Plan Elementary and Secondary School Emergency Relief Fund
	<u>U.S. Department of Agriculture</u>
10.559	Summer Food Service Program For Children

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Auditee was determined to be a low-risk auditee.

**2. Findings - Financial Statement Audit**

None reported.

**3. Findings And Questioned Costs - Major Federal Award Programs Audit**

None reported.

FREE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

---

Findings - Financial Statement Audit

None reported.

Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

FREE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2021

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This section presents our findings and recommendations resulting from the audit of the financial statements of the Farmingdale Union Free School District as of and for the year ended June 30, 2021, as well as the status of recommendations made in connection with prior audits of the financial statements.

CURRENT YEAR RECOMMENDATION:

None reported.

PRIOR YEAR RECOMMENDATION:

None reported.

**Board of Education**  
50 Van Cott Ave  
Farmingdale, NY 11735

Meeting: 11/03/21 08:00 PM  
Department: Assistant to the Superintendent for Business  
Category: Action Item  
Prepared By: Ro Fullam  
Initiator: Michael Motisi  
Sponsors:  
DOC ID: 8438

**SCHEDULED**

**CONSENT ITEM (ID # 8438)**

## **Acceptance of Extra Classroom Activity Funds Independent Audit- Year Ending June 30, 2021**

RESOLVED, that the Farmingdale Union Free School District Board of Education accepts the June 30, 2021 Extra Classroom Activity Funds Independent Auditor Report for study and file.



**FARMINGDALE UNION FREE SCHOOL DISTRICT  
TOWNS OF OYSTER BAY AND BABYLON, NEW YORK**

**EXTRACLASROOM ACTIVITY FUNDS  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
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**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**  
**ON EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL STATEMENTS**

To the Board of Education of the  
Farmingdale Union Free School District  
Towns of Oyster Bay and Babylon, New York:

We have audited the accompanying statement of cash receipts and disbursements of the various Extraclassroom Activity Funds of the Farmingdale Union Free School District (the "District") for the year ended June 30, 2021, and the related note to financial statement, which collectively comprise the financial statements of the District's Extraclassroom Activity Funds.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free from material misstatement.

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

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

# NawrockiSmith

## *Opinion*

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of the Farmingdale Union Free School District for the year ended June 30, 2021 in accordance with the basis of accounting described in Note 1.

## *Basis of Accounting*

We draw attention to Note 1 of this financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Hauppauge, New York  
October 12, 2021

*Nawrocki Smith LLP*

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Cash Balances July 1, 2020	Receipts	Disbursements	Cash Balances June 30, 2021
High School:				
Ambassadors Club	\$ 553.90	\$ -	\$ -	\$ 553.90
Art Adventures	29.82	1,274.00	-	1,303.82
Art Honor Society Club	1,179.91	2,406.00	2,086.07	1,499.84
ASL Honor Society Club	1,789.37	4,462.00	6,250.87	0.50
Auto Tech Club	1,321.17	3,738.83	3,653.02	1,406.98
Bridging the Gap	9,474.72	7,438.28	4,727.14	12,185.86
Business Honor Society Club	446.87	1,105.00	1,187.50	364.37
Carpentry Club	2,209.21	795.00	1,239.05	1,765.16
Catering Club	6,547.69	-	-	6,547.69
Challenge Day	800.00	-	-	800.00
Child Lab Study Program	97.00	460.00	459.00	98.00
Class of 2020	2,386.88	-	2,386.88	-
Class of 2021	37,004.57	47,044.79	84,049.36	-
Class of 2022	818.68	2,662.41	1,933.96	1,547.13
Class of 2023	1,265.83	4,116.74	2,329.28	3,053.29
Class of 2024	-	1,156.72	524.76	631.96
Daler Press Club	798.96	45.00	163.26	680.70
DECA	1,390.29	300.00	474.80	1,215.49
Digitech	8.34	-	-	8.34
Field Trips	1,004.99	-	1,004.99	0.00
French Honor Society Club	1,011.01	664.00	1,358.88	316.13
Gay Straight Alliance	58.00	-	-	58.00
Girl Up	340.42	-	-	340.42
Green and White Shop	1,000.00	13,456.25	13,456.25	1,000.00
Hi-Life	18,365.98	5,456.85	10,607.11	13,215.72
History Club	214.51	-	-	214.51
Interact Club	703.83	649.00	1,017.48	335.35
Italian Honor Society Club	465.26	6,200.00	6,598.16	67.10
Key Club	250.30	651.00	639.30	262.00
Life Skills Club	3,577.62	2,240.32	122.01	5,695.93
Literary Magazine Club	1,634.04	360.00	100.00	1,894.04
Music-Band	7,010.26	540.00	3,974.15	3,576.11
Music-Chorus	2,446.20	155.00	415.00	2,186.20
Music-Orchestra	2,750.98	-	-	2,750.98
Music-Symphonic Band	2,109.61	-	118.32	1,991.29
Music-Women's Choir	131.11	-	-	131.11
National Honor Society	1,199.50	5,127.00	5,440.49	886.01
Paper Lion	54.47	-	-	54.47
PAWS	-	201.00	70.96	130.04
Playcrafters	21,106.67	6,235.58	12,745.10	14,597.15
Project LIT	469.60	-	-	469.60
Real Harmony	2,500.00	4,790.00	6,276.81	1,013.19
Red Cross	-	566.50	519.26	47.24
SADD	1,510.73	158.00	500.04	1,168.69
Sales Tax	206.13	1,582.56	1,657.27	131.42
Science Club - Envirothon	411.49	-	-	411.49
Science Club - Vex Robotics	2,350.94	-	733.12	1,617.82
Science Olympiad	510.62	780.00	732.98	557.64
Shared Decision Making	1,435.98	-	-	1,435.98
SMILE	1,106.97	420.00	838.35	688.62
Spanish Honor Society Club	1,186.46	3,492.00	2,837.93	1,840.53
Student Government Association	70.39	3,849.78	2,357.45	1,562.72
Student Guidance Club	3,180.74	1,500.00	1,500.00	3,180.74
Student Sports Activity Council	21,399.58	18,311.96	14,650.08	25,061.46
Technology Honor Society Club	1,478.33	1,550.00	1,900.00	1,128.33
Thespian Club	217.57	1,405.00	630.00	992.57
Tri-M Honor Society Club	988.56	3,154.00	259.68	3,862.88
Varsity Leaders Club	76.22	-	-	76.22
Wellness Committee Club	25.64	-	-	25.64
	<u>\$ 172,663.92</u>	<u>\$ 160,500.57</u>	<u>\$ 204,526.12</u>	<u>\$ 128,638.37</u>

The accompanying note is an integral  
part of this financial statement

-3-

Attachment: Extra Classroom Activity Funds Financial Statements - Year Ending 6-30-21 (8438 : Acceptance of Extra Classroom Activity Funds

FARMINGDALE UNION FREE SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balances July 1, 2020	Receipts	Disbursements	Cash Balances June 30, 2021
Middle School:				
Anziano Memorial Scholarship	\$ 981.39	\$ -	\$ 200.00	\$ 781.39
Bridging the Gap Foundation	7,243.83	7,951.95	10,429.74	4,766.04
COVID19 Assistance	1,000.00	-	-	1,000.00
Daler Buddies	168.66	-	-	168.66
Field Trips-6th Grade	-	567.00	567.00	-
Field Trips-8th Grade	-	1,610.00	1,610.00	-
Fitness Club	8,431.77	4,140.00	2,716.72	9,855.05
Fitness for Africa Booster	30.00	-	-	30.00
Friends Shared Decision Making	1,150.00	100.00	4.42	1,245.58
Garden Club	1,497.51	-	323.52	1,173.99
Honor Society Club	221.67	2,055.00	1,249.93	1,026.74
Howitt Players Club	-	8,046.74	2,365.14	5,681.60
Languages Around the World	88.76	-	-	88.76
Lions Den	4,363.28	585.00	789.06	4,159.22
Music Department	812.28	-	25.00	787.28
Newsday Future Corps Club	67.43	-	-	67.43
Sculpture Club	48.77	-	-	48.77
Sales Tax	55.86	508.67	294.63	269.90
Snack Pack Program	656.79	-	-	656.79
Student Government	1,253.14	20,676.59	21,434.97	494.76
Wellness Committee	243.92	-	-	243.92
Wildlife Warriors Club	853.60	-	-	853.60
Yearbook	6,498.34	825.00	2,957.68	4,365.66
	<u>\$ 35,667.00</u>	<u>\$ 47,065.95</u>	<u>\$ 44,967.81</u>	<u>\$ 37,765.14</u>

The accompanying note is an integral  
part of this financial statement.

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2021**

	Cash Balances July 1, 2020	Receipts	Disbursements	Cash Balances June 30, 2021
Elementary Schools:				
<u>Albany Avenue</u>				
Bridging the Gap	\$ 1,506.60	\$ 4,261.45	\$ -	\$ 5,768.05
Kindergarten	2.00	481.00	483.00	-
Grade 4	-	1,392.78	1,392.78	-
Grade 5	-	5,862.00	5,862.00	-
<b>TOTAL ALBANY AVENUE</b>	<b>1,508.60</b>	<b>11,997.23</b>	<b>7,737.78</b>	<b>5,768.05</b>
<u>Saltzman Memorial</u>				
Bridging the Gap	934.24	3,351.67	60.00	4,225.91
Grade 4	-	693.00	693.00	-
Grade 5	-	5,755.00	5,755.00	-
<b>TOTAL SALTZMAN MEMORIAL</b>	<b>934.24</b>	<b>9,799.67</b>	<b>6,508.00</b>	<b>4,225.91</b>
<u>Woodward Parkway</u>				
Bridging the Gap	3,151.55	7,188.00	2,083.35	8,256.20
Grade 5	-	8,030.00	8,030.00	-
<b>TOTAL WOODWARD PARKWAY</b>	<b>3,151.55</b>	<b>15,218.00</b>	<b>10,113.35</b>	<b>8,256.20</b>
<u>Northside</u>				
Bridging the Gap	5,779.70	4,061.06	42.00	9,798.76
Field Trips	-	4,542.00	4,542.00	-
<b>TOTAL NORTHSIDE</b>	<b>5,779.70</b>	<b>8,603.06</b>	<b>4,584.00</b>	<b>9,798.76</b>
	<b>\$ 11,374.09</b>	<b>\$ 45,617.96</b>	<b>\$ 28,943.13</b>	<b>\$ 28,048.92</b>

The accompanying note is an integral  
part of this financial statement.

**FARMINGDALE UNION FREE SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
NOTE TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Farmingdale Union Free School District (the "District").

The accounts of the Extraclassroom Activity Funds of the District are maintained on a cash basis, and the Statement of Cash Receipts and Disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.



**Board of Education**

50 Van Cott Ave  
Farmingdale, NY 11735

Meeting: 11/03/21 08:00 PM

Department: Assistant Supt for Human Resources and Admin

Category: Discussion

Prepared By: Marie Lovisa

Initiator: Glen A Zakian

Sponsors:

DOC ID: 8435

**SCHEDULED****DISCUSSION ITEM (ID # 8435)**

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**Draft Policy and Regulation #5280, Interscholastic Athletics**

## INTERSCHOLASTIC ATHLETICS

Interscholastic athletics for boys and girls is an integral and desirable part of the district's secondary educational program. Individual and team sports shall be based upon comprehensive physical education instruction and intramural activities, seeking broad participation from all eligible secondary students. Lifetime or carry-over sports are to be particularly encouraged and supported. Parity in the number and kind of sports activities for girls and boys, as well as number of participants, is a clear objective of the district.

Student eligibility for participation on interscholastic teams shall include:

1. authorization by the school physician or private physician;
2. written parent or guardian consent (the written consent will contain information for parents on mild traumatic brain injury (TBI), and will provide a link to the State Education Department's web page on TBI);
3. endorsement by the building principal/athletic director based on established rules and various league and State Education Department regulations; and
4. sustained academic performance.

In accordance with existing Regulations of the Commissioner of Education, the Board of Education will permit students in grades 10-12 to receive credit towards high school graduation equivalent to physical education for participation in interscholastic athletics. Such credit will, in addition to other requirements, be contingent upon proven cardiovascular and physical fitness competency in personal fitness for life and lifetime or carry-over sports. Standards for such fitness shall be developed by the administration.

Although the district will take reasonable care to protect student athletes, students may still sustain injuries. In order to most effectively ensure student safety, open communication between students, parents and coaches about the child's medical condition is critical. Coaches, and other appropriate staff, will receive guidance and training regarding recognition of injury and removal of the student athlete from play in the event of injury. Parents and/or students are expected to report injuries so that student health can be protected.

In the case of a suspected or actual head injury, a student must be removed from play immediately. In order to resume participation following injury, including head injury, the student needs to receive medical clearance. The Superintendent, in consultation with appropriate district staff, including the school physician, will develop regulations and procedures to guide the process of return to play.

In addition, all student participants in the district's interscholastic athletics program must adhere to the code of conduct as outlined in the Student/Parent handbook, or risk suspension, removal, or other disciplinary action(s) from such program.

## ATHLETIC PLACEMENT PROCESS

The Board permits students in seventh and eighth grades who wish to play at the junior varsity or varsity level **in Bowling, Golf and Tennis** to do so provided they can complete the entire Athletic Placement Process. A description of the Athletic Placement Process is available from the district's Director of Athletics.

The Board permits students in seventh and eighth grades who wish to play at the junior varsity or varsity level **in Bowling, Golf and Tennis** to do so provided they can demonstrate it is an appropriate level based on physical and emotional maturity, in conformance with the Athletic Placement Process.

### Cross-ref:

4316 Physical Education

5200, Co-curricular and Extracurricular Programs

### Ref:

[Education Law §§414; 1502; 1604\(7-b\); 17089\(3\)\(8-a\); 1718\(2\); 3001-b; 4409](#)

[8 NYCRR 135.4](#)

Adoption Date: May 3, 2000; Revised: March 6, 2002; Revised: June 2, 2004; Revised: January 12, 2005; Revised: May 3, 2017

## INTERSCHOLASTIC ATHLETICS REGULATION

The following regulation shall apply with respect to interscholastic athletics:

### 1. Bona Fide Students

- A. High School - a student must be a bona fide student of the high school which he/she represents and must be taking at least four subjects, including physical education.
- B. Middle School - a student must be a bona fide student of grades 7 or 8 of the school represented.

*Note: If it becomes necessary to combine member schools to maintain a team or sport, a written request must be submitted and approval obtained from the league and section involved. Schools which have combined teams must submit a report to the Modified Committee and this will be submitted to the Executive Committee.*

### 2. Registration

A student must have enrolled during the first fifteen (15) school days of the semester and must have been in regular attendance 80% of the school time. Bona fide absences caused by personal illness are accepted.

### 3. Transfer

The Farmingdale School District will adhere to all sectional and state guidelines in regard to residency eligibility. Copies of the sectional and state guidelines are available in the office of the Director of Athletics.

### 4. Age and Grade

A high school student shall be eligible for interschool competition in grades 9,10, 11 and 12 until his/her nineteenth birthday. If the age of nineteen years is reached on or after July 1, the student may continue to participate during the school year in all sports. Appeals to the age limit for the extension of athletic eligibility, based on extreme circumstances, must be made to the Director of Athletics, who will follow the appeals process set forth by the Nassau Athletic Association (Section 8).

*Note: Students from seventh grade on may be eligible regardless of age or grade if they have been approved through the State Education Department's Athletic Placement Process according to the Farmingdale School District Guidelines.*

A middle school student upon entry into the 7th grade is eligible for modified program competition. One is ineligible when their sixteenth birthday is attained; however, if a student attains their sixteenth birthday during a sports season, he/she may complete that

sport's season. In program B, (football and boys' lacrosse), when a student's fifteenth birthday is attained during a sports season, he/she may complete the sport's season.

## 5. State Eligibility

A student is eligible for senior high school athletic competition in a sport during each of four consecutive seasons commencing with the student's entry into the ninth grade, unless he/she has satisfied Athletic Placement Process according to school guidelines.

All athletes must be bona fide students of their districts and comply with age, grade and registration guidelines.

## 6. Athletic Placement Process

### I. Introduction

The intent of the Athletic Placement Process is to permit students in grades 7 through 12 to safely participate at the appropriate level of competition based upon readiness rather than age and grade. It is designed for mature and elite exceptionally skilled students to advance to an upper level and less developed students to participate at an appropriate lower level that is suited to their development and ability.

In order to assure that all students in the Farmingdale School District are afforded a fair and equitable chance to make a team and experience the ability to participate on either a team or individual sport, the Farmingdale Board of Education has established the following guidelines in accordance with the State Education Department's Athletic Placement Process.

Students will not be permitted to apply for the Athletic Placement Process in the event that the district adopts a contingency budget or removes middle school Interscholastic Sports from the budget.

### II. Guidelines

- A. Where an interscholastic team sport is offered at the Middle School level, a 7th/8th grade student athlete will not be permitted to apply for the Athletic Placement Process. (This does not apply to student/athletes playing down from high school to middle school sports).
- A. In the sports of Bowling, Golf and Tennis a 7th or 8th grade student/athlete may apply to play up to the High School level through the Athletic Placement Process. All rules and regulations established by the State Education Department in its current Athletic Placement Process procedures must be followed. These include, but are not limited to, parental permission, administrative approval, medical clearance (e.g.,

physical maturity examination), sport skill evaluation, physical fitness testing and notification to appropriate schools and agencies. The Director of Athletics will review all data submitted.

- B. The varsity head coach will make a written recommendation to the Athletic Director to consider Athletic Placement Process (APP) for a middle school athlete
- C. A district Physical Education teacher, who is not the coach of the sport, will perform the Athletic Placement Process (APP) fitness test and submit it to the Director of Athletics
- D. No student may enter the Athletic Placement Process (APP) if they were suspended from school during the current school year
- E. No student may enter the Athletic Placement Process (APP) if they have failed a class during the current school year
- F. Athletic Director confirms with the head coach that they anticipate the athlete will play in at least 50% of the games
- G. All Athletic Placement Process (APP) student-athletes playing Varsity or Junior Varsity are placed on weekly progress reports monitored by the head coach. The athlete may be removed from the team for poor attendance, grades or behavior.

### III. Calendar

In order for a student to play up or down through the Athletic Placement Process, he/she must have all paperwork submitted and approved one week prior to the first day of practice. The student must be able to try out in the same fashion as the other athletes on the team during the initial try-out period. The student is responsible for making sure that he/she finds out all necessary information about practice and try-out schedules and for meeting all deadlines.

### 7. Health Examinations

A student who may engage in interscholastic competition is required to have an adequate health examination and health history update when required, and may not practice or participate without the approval of the school district's medical director or their own private physician.

*Note: Medical examinations may be scheduled at any time during the school year and shall be valid for a period of twelve continuous months. Unless the medical examination is*

*conducted within thirty days of the start of a season, a health history update is required. Any pupil whose safe participation is in question as a result of the health history interview, or injury, or prolonged absence, must be re-qualified by a physician prior to participation.*

## 8. Head Injuries/Concussion Management

Physical injuries may occur as a result of participation in any sport. Concussions are among the types of injuries that may occur during interscholastic sports activities. A concussion is a type of traumatic brain injury caused by an impact or blow to the head or body. Concussions can happen in any sport, but are most often associated with contact sports such as football, rugby or ice hockey.

Symptoms of a concussion include, but are not necessarily limited to:

Amnesia (e.g. decreased or absent memory of events prior to or immediately after the injury, or difficulty retaining new information)

Confusion or appearing dazed

Headache or head pressure

Loss of consciousness

Balance difficulty or dizziness, or clumsy movements

Double or blurry vision

Sensitivity to light and/or sound

Nausea, vomiting, and/or loss of appetite

Irritability, sadness or change in personality

Feeling sluggish, foggy, groggy or lightheaded

Concentration or focusing problems

Slowed reaction times, drowsiness

Fatigue and/or sleep issues (e.g. sleeping more or less than usual)

Seizures and/or slurred speech

Weakness or numbing in arms, legs, facial drooping

Dilated or pinpoint pupils and/or change in size of one pupil



Significant irritability.

All coaches, physical education teachers, and certified athletic trainers are required to be trained to recognize the symptoms of a concussion and to seek proper medical treatment for such injuries.

#### **Athlete Return to Play Protocol**

The District's practice provides for the immediate removal from athletic activities of any student who has sustained, or is believed to have sustained a concussion. If there is any doubt as to whether the student has sustained a concussion, it shall be presumed that he or she has sustained a concussion until proven otherwise.

Once the student athlete is symptom free at rest for twenty-four (24) hours, has a signed written and signed authorization from the student's private treating physician, she/he may begin the return to play progression below (provided there are no other mitigating circumstances):

Phase 1: Low impact, non-strenuous, light aerobic activity (e.g., walking, or riding a stationary bicycle).

Phase 2: Higher impact, higher exertion, and moderate aerobic activity (e.g., running, or jumping rope, but no resistance training).

Phase 3: Sport specific non-contact activity; low resistance weight training with a spotter.

Phase 4: Sport specific activity, non-contact drills; higher resistance weight training with a spotter.

Phase 5: Full contact training drills and intense aerobic activity.

Phase 6: Return to full activities without restrictions.

Students should be monitored by District staff daily following each progressive challenge, physical or cognitive, for any return of signs and symptoms of concussion. Staff members should report any observed return of signs and symptoms to the school nurse, certified athletic trainer, or administration. A student should only move to the next level of activity if they remain symptom free at the current level. Return to activity should occur with the introduction of one (1) new activity each twenty-four (24) hours. If any post-concussion symptoms return, the student should drop back to the previous level of activity, and then re-attempt the new activity after another twenty-four (24) hours have passed. A more gradual progression should be considered based on the individual's circumstances, and a private medical provider's, or other specialist's, orders and recommendations.

Once the student has gone through the full above-referenced rehabilitation protocol with the athletic trainer and is asymptomatic they will be referred to the District's Medical Director for final clearance.

#### 9. Amateur

- A. All contestants must be amateurs. An amateur is one who has never used, or is not now using, his/her knowledge of athletics or his/her skill for gain and who has always contested under his/her own name. A student who signs a contract with a professional team is no longer eligible for interschool sports. (This rule does not apply to officiating, recreational or playground work).
- B. A student who violates the above rule may apply to his/her league or to the member of the central Committee in his/her section for reinstatement one year from the date of the latest violation.

#### 10. College

A student is no longer eligible to represent the school in that sport in that season if the student participates in practice or competition with or against any college athletic squad during that season.

#### 11. Professional Try-Outs

No try-outs or practice with professional teams are approved except during the summer vacation. A student who participates in such a try-out is ineligible to represent his/her school in that sport.

#### 12. All-Star Contests

Because school authorities have a responsibility for preventing the exploitation of high school students who have qualified for a letter in school sports; the NYSPHSAA, Inc. recommends that school authorities discharge this responsibility by protecting students from being exploited by individuals or groups interested in promoting, for any purpose, spectator or revenue producing contests such as all-star, charity, and similar exhibition games. Exceptional senior contests as stipulated in the Eligibility Standards are permitted.

Furthermore, it shall be the responsibility of the school authorities to inform their teaching personnel to do nothing which shall impair this responsibility of boards of education to protect athletes against such exploitation.

#### 13. Local Eligibility

Students involved in difficulties in the areas of behavior, academics, drug or alcohol abuse, smoking and quitting teams will be referred to the school academic eligibility committee.

Standards established by the committee are meant to include all students. However, parents may, of course, impose more stringent standards for their children.

#### 14. Behavior

In order to participate on any school co-curricular and extra-curricular programs and interscholastic athletic programs, a student must be a good school citizen. A good school citizen is one who is not referred to the office for behavior reasons. In case of such referrals, the school eligibility committee will meet with the student and discuss the situation. A decision will be made by the school eligibility committee that will be in the best interests of all concerned.

#### 15. Academics

The Board believes that a meaningful academic policy must be established concerning co-curricular and extra-curricular programs and interscholastic athletic program participation. All high school students must follow the academic eligibility policy as outlined below. An academic eligibility committee will be selected by the high school principal each year with the specific purpose of reviewing those students who are either on probation or ineligible. It will be the responsibility of the building principal to notify all club advisors and the district athletic director to notify all coaches of those students who are either on probation or ineligible. The committee will consist of: a building principal, director of athletics, director of guidance, guidance counselor, two coaches, two club advisors and one teacher not associated with clubs or interscholastic athletics activities. The committee will notify all students, after report card distribution, of their eligibility status. Students who are on probation are permitted to participate in extracurricular and interscholastic activities. Students who are ineligible are not permitted to participate in extracurricular and interscholastic activities.

Any student failing two or more subjects shall automatically be placed on probation by the eligibility committee and will remain on probation for the entire marking period. A student on probation may participate in all extracurricular activities and interscholastic sports provided that he/she adheres to the following criteria immediately upon being notified of his/her status:

1. The student submits weekly eligibility progress reports from all teachers to his/her advisor or coach every week. Poor performance may cause a student to be declared ineligible.
2. The student must seek help in the problem areas and provide proof of same to the eligibility committee.
3. Failure to comply with the above criteria will move the student to ineligible status.

After the next report card, any probationary student no longer failing two subjects will be removed from probation at that time.

The high school principal will insure that any student who remains on probation for two or more marking periods, or is declared ineligible, will be referred to the appropriate staff members for the development of a plan for academic improvement.

Any student failing three or more subjects will automatically be declared ineligible by the eligibility committee and will remain ineligible for the entire marking period unless a written request is made by the student (in writing) to the eligibility committee for an appeal. The written request must also be signed by the student's parent or guardian.

If the appeal is granted, the student must:

1. Submit weekly eligibility progress reports to a mentor appointed by the committee.
2. The student must seek help in the problem subjects (homework helpers, extra help, Honor Society tutors, etc.) and provide proof of such help to a member of the committee.

A student who is ineligible may not practice, compete or participate in any interscholastic sport or extracurricular activity unless an appeal is granted by the eligibility committee.

If a student does not meet the conditions of the criteria appeal process, he/she cannot come before the eligibility committee until after the next report card.

After the next report card, any student no longer failing three or more subjects will be removed from ineligibility and either placed on probation (if failing two subjects) or removed from ineligibility entirely.

If a student is declared ineligible or placed on probation at the end of the fourth marking period, he/she must attend summer school. Failure to attend summer school will cause the student to begin the next school year with the same status that was determined by the fourth marking period grades.

#### 16. Drop-outs

Any student quitting an athletic team for reasons unacceptable to the coach (i.e. not informing the coach of reasons, not attending practice sessions, etc.) must be brought before the eligibility committee to decide whether said student will be able to join another team. Any student who has the ability to participate in two sports during the same season will be eligible to compete only after both coaches give consent for dual participation and the student has established one of the teams as his/her priority team with the athletic director. In the event of a conflict that cannot be resolved, the student will participate with the priority team.

## 17. Awards

All students who participate in athletics in grades 7 through 12 will receive a Certificate of Participation.

Varsity Athletes may earn specific awards such as Most Valuable Player (MVP), Most Improved Player (MIP) and/or Coaches Award.

League, Conference, County and State Awards will be given out at the Nassau County Coaches Association Dinners.

Adoption Date: May 3, 2000; Revised 11-18-16: March 6, 2002; Revised: June 2, 2004; Revised: January 12, 2005; Revised: May 4, 2005; Revised: June 5, 2013; Revised: May 3, 2017

**Board of Education**

50 Van Cott Ave  
Farmingdale, NY 11735

Meeting: 11/03/21 08:00 PM  
Department: Assistant Supt for Human Resources and Admin

Category: Discussion

Prepared By: Marie Lovisa

Initiator: Glen A Zakian

Sponsors:

DOC ID: 8436

**SCHEDULED****DISCUSSION ITEM (ID # 8436)**

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## **Draft Policy #8505, Charging School Meals and Prohibition Against Shaming**

## **“CHARGING” SCHOOL MEALS AND PROHIBITION AGAINST SHAMING**

The Board of Education recognizes that on occasion, students may not have enough funds for a meal. To ensure that students do not go hungry, the Board will allow students who do not have enough funds to “charge” the cost of meals to be paid back at a later date subject to the terms in this policy. The superintendent or his/her designee will ~~establish~~ **develop, and the Board of Education will adopt,** a plan document that fulfills the requirements set forth by ~~Chapter 56 of the Laws of 2018 law.~~

To comply with State guidelines and maintain a system for accounting for charged meals, regarding both full and reduced-price meals, the Board shall:

1. allow only regular reimbursable meals to be charged, excluding extras, à la carte items, side dishes, additional meals, and snacks (“competitive foods”); and
2. use a computer-generated point of sale system, which identifies and records all meals as well as collects repayments.

Charged meals must be counted and claimed for reimbursement on the day that the student charged (received) the meal, not the day the charge is paid back. When charges are paid, these monies are not to be considered “à la carte” transactions, as a section on the daily cash report or deposit summary reads “charges paid.”

Students shall not be denied a reimbursable meal of their choice (of that day’s choices), even if they have accrued a negative balance from other cafeteria purchases, unless the parent/guardian has provided written permission to the school to withhold a meal. No student with unpaid charges will be prohibited from purchasing reimbursable meals if they have money that day.

If school food authorities (SFAs) suspect that a student may be abusing this policy, written notice will be provided to the parent/guardian.

Students who cannot pay for a meal or who have unpaid meal debt shall not be publicly identified or stigmatized (including wristbands or hand stamps), required to do chores or work to pay for meals, or have meals thrown away after they have been served. District staff shall not discuss a student’s unpaid meal debt in front of other students. The district shall not take any action directed at a student to collect unpaid school meal fees. However, the district may discretely notify students of their account balances, and why certain items (e.g., à la carte, etc.) could not be provided with charged meals.

### *Student Account Balance Notification*

**The district’s payment system allows for automatic replenishing when a balance reaches a certain amount set by the parent/guardian. The district shall encourage parents/guardians to utilize this option.**



**Parents/guardians shall be discretely notified of student account balances regularly. When a student's account balance falls to \$10 and whenever a meal is charged, the district will discretely notify the parent/guardian of the balance, and the process to refill the account.**

This notification will continue regularly until the account is replenished. Parents/guardians must repay all unpaid charges remaining at the end of the year or before their child leaves the district, whichever occurs first.

The district shall discretely notify parents/guardians of students with negative balances of at least **three** **five** meals, determine if the student is directly certified to be eligible for free meals, and attempt to reach the parent/guardian to assist them in the application process for free and/or reduced price meals, and determine if there are other issues within the household causing the insufficient funds and offer appropriate assistance. If a parent/guardian regularly fails to provide meal money and does not qualify for free or reduced price meals, the district may take other actions as appropriate, including notifying the local department of social services if neglect is suspected.

The school district shall notify all parents/guardians in writing on an annual basis at the start of the school year and to families transferring during the year, outlining the requirements of this policy. The policy shall also be published in appropriate school and district publications. All staff involved in implementing and enforcing this policy shall also be notified of these requirements and their responsibilities. The district's enrollment process shall include the application process for free and reduced price meals. If the district becomes aware that a student is so eligible, it shall file an application for the student. Staff responsible for assisting foster, homeless and migrant students shall coordinate with the food services staff to ensure such students receive free school meals.

#### *Unpaid Meal Charges and Debt Collection*

Unpaid meal charges are a financial burden to the district and taxpayers and can negatively affect the school program. Unpaid meal charges shall be considered "delinquent" as per the district's accounting practices. The district shall attempt to recover unpaid meal charges before the end of the school year, but may continue efforts into the next school year. The district shall notify parents/guardians of unpaid meal charges at regular intervals, and may engage in collection activities by district staff, which do not involve debt collectors as defined in federal law ([15 USC §1692a](#)), and may not charge fees or interest **or file a lawsuit against students' parents or guardians**. The district shall offer repayment plans, and may take other actions that do not result in harm or shame to the child, until unpaid charges are paid.

#### *Remaining Account Balances*

Remaining funds may be carried over to the next school year. When students leave the district or graduate, the district will attempt to contact the parent/guardian to return remaining funds. Parents/guardians may request that funds be transferred to other students (e.g., siblings, unpaid accounts). All transfer requests must be in writing. Unclaimed funds remaining after **6** **3** months shall be absorbed by the school meal account.

#### *Staff*

Staff members are allowed to purchase food from the district's food services. However, all purchases must be paid for at the point of sale or set up an account where funds can be deposited. Staff members are not allowed to charge meals to be repaid later.

Building Principals, working with the head of food services, shall ensure that all district and food service staff with responsibilities under this policy will be trained on the provisions of this policy, the district's plan document, and the requirements of Education Law section 908.

Cross-ref:

8520, Free and Reduced Price Meal Services

Ref:

42 USC §1779(Child Nutrition Act of 1966)

42 USC §§1758(f)(1); 1766(a) (National School Lunch Act)

2 CFR §200.426(accounting for debt in federal programs)

7 CFR §§210.9210.12; 210.19; 220.13; 245.5(accounting in federal school meal programs)

Healthy, Hunger-Free Kids Act (Public Law 111-296), §143

15 USC §1692a (debt collector defined)

Education Law §908

USDA Report to Congress, *Review of Local Policies on Meal Charges and Provision of Alternate Meals*, June 2016, [www.fns.usda.gov/sites/default/files/cn/unpaidmealcharges-report.pdf](http://www.fns.usda.gov/sites/default/files/cn/unpaidmealcharges-report.pdf)

*Unpaid Meal Charges: Local Meal Charge Policies*, USDA FNS Memo SP 46-2016 (07/08/16), [www.fns.usda.gov/unpaid-meal-charges-local-meal-charge-policies](http://www.fns.usda.gov/unpaid-meal-charges-local-meal-charge-policies)

*Unpaid Meal Charges: Guidance and Q&A*, USDA FNS Memo SP 57-2016 (09/16/16), <https://fns-prod.azureedge.net/sites/default/files/cn/SP57-2016os.pdf>

*Unpaid Meal Charges: Guidance and Q&A*, USDA FNS Memo SP 23-2017 (03/23/17), <https://fns-prod.azureedge.net/sites/default/files/cn/SP23-2017os.pdf>

*Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments*, USDA FNS Memo SP 47-2016 (07/08/16), [www.fns.usda.gov/sites/default/files/cn/SP47-2016os.pdf](http://www.fns.usda.gov/sites/default/files/cn/SP47-2016os.pdf)

*Overcoming the Unpaid Meal Challenge - Proven Strategies from Our Nation's Schools*, USDA FNS Guidance Document (May 2017), <https://fns-prod.azureedge.net/sites/default/files/cn/SP29-2017a1.pdf>

*New York State Legislation - Prohibition Against Meal Shaming*, NYSED Memo (5/1/18), <http://www.cn.nysed.gov/content/prohibition-against-meal-shaming>

*Meal Charge Plan Template*, NYSED (5/1/18), <http://www.cn.nysed.gov/content/meal-charge-and-prohibition-against-meal-shaming-policy-template>

Adoption date: February 6, 2019