

**ROOSEVELT UNION FREE SCHOOL DISTRICT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORTS**

June 30, 2020

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**TABLE OF CONTENTS**

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	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis (MD&amp;A)</b>	4
<b>Financial Statements:</b>	
Statement of Net Position	16
Statement of Activities	17
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	21
Statement of Fiduciary Net Position– Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	23
Notes to Financial Statements	24
<b>Required Supplementary Information other than MD&amp;A:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	54
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	56
Schedule of District Pension Contributions	57
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	58
<b>Other Supplementary Information:</b>	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund	59
Schedule of Project Expenditures and Financing Resources – Capital Projects Fund	60
Schedule of Net Investment in Capital Assets	61

## INDEPENDENT AUDITORS' REPORT

The Board of Education  
Roosevelt Union Free School District:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Roosevelt Union Free School District (the District), as of and for the year ended June 30, 2020, 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.

### Auditors' Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Roosevelt Union Free School District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 and the additional information on pages 54 through 58 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 9, 2020

**ROOSEVELT UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Roosevelt Union Free School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020 in comparison with the year ended June 30, 2019, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

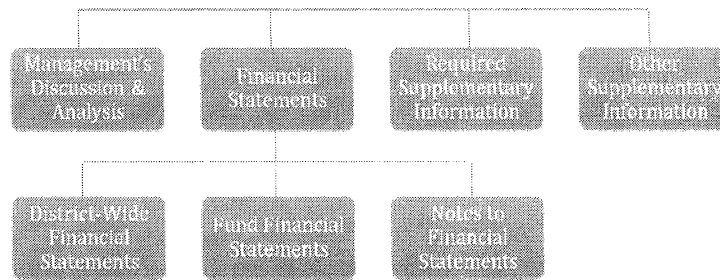
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2020 are as follows:

- The District's total net position, as reflected in the district-wide financial statements, decreased by \$3,090,949 or 32.80% to a deficit balance of \$12,515,890. This was due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$113,478,821. Of this amount, \$7,227,710 was offset by program charges for services and operating grants. General revenues of \$103,160,162 amount to 93.45% of total revenues.
- The general fund's total fund balance of \$28,971,974, as reflected in the fund financial statements, increased by \$6,736,329. This was due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting.
- On June 9, 2020, the proposed 2020-2021 budget in the amount of \$106,869,229 was approved by District voters. The 2020-2021 property tax levy of \$23,298,002 is an increase of 2.27%, but it is lower than the 3.23% tax levy limit increase allowed by state law.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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



**A. District-Wide Financial Statements**

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities

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

**B. Fund Financial Statements**

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

Governmental Funds

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

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

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee and utilize the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in separate statements. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

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

**A. Net Position**

The District's total net position decreased by \$3,090,949 between fiscal year 2020 and 2019. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statement of Net Position follows:

	2020	2019	Increase (Decrease)	Percentage Change
<b>Asset</b>				
Current and Other Assets	\$ 44,471,508	\$ 41,472,891	\$ 2,998,617	7.23 %
Capital Assets, Net	202,812,903	207,466,583	(4,653,680)	(2.24)%
Net Pension Asset - Proportionate Share	5,228,576	3,655,405	1,573,171	43.04 %
Total Assets	252,512,987	252,594,879	(81,892)	(0.03)%
<b>Deferred Outflows of Resources</b>	61,628,372	39,142,977	22,485,395	57.44 %
<b>Liabilities</b>				
Current and Other Liabilities	9,370,921	12,796,420	(3,425,499)	(26.77)%
Long-Term Liabilities	139,120,757	149,406,367	(10,285,610)	(6.88)%
Net Pension Liability - Proportionate Share	4,818,296	1,306,474	3,511,822	268.80 %
Total OPEB Liability	140,930,942	121,467,552	19,463,390	16.02 %
Total Liabilities	294,240,916	284,976,813	9,264,103	3.25 %
<b>Deferred Inflows of Resources</b>	\$ 32,416,333	\$ 16,185,984	\$ 16,230,349	100.27 %
<b>Net Position (Deficit)</b>				
Net Investment in Capital Assets	73,049,641	67,857,786	5,191,855	7.65 %
Restricted	21,044,667	21,038,791	5,876	0.03 %
Unrestricted (deficit)	(106,610,198)	(98,321,518)	(8,288,680)	(8.43)%
Total Net Position (Deficit)	\$ (12,515,890)	\$ (9,424,941)	\$ (3,090,949)	(32.80)%



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

The decrease in capital assets, net is due to current year depreciation expenses in excess of additions. The accompanying Notes to Financial Statements, Note 9 "Capital Assets", provides additional information.

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

Deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years, and the amount of deferred charges from the bond refunding that is being amortized over the remaining term of the bonds.

The decrease in current and other liabilities is primarily due to a decrease in accounts payable.

The decrease in long-term liabilities is due to principal payments on debt.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's collective net pension liability, at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

Total other postemployment benefits (OPEB) liability increased, based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 14 "Postemployment Healthcare Benefits", provides additional information.

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

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

The restricted deficit amount relates to the District's reserves. This number increased compared to the prior year as the new monies allocated to the reserves exceeded use of reserves.

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**B. Changes in Net Position**

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2020 and 2019 is as follows:

	2020	2019	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 183,202	\$ 181,988	\$ 1,214	0.67 %
Operating Grants	7,044,508	7,705,103	(660,595)	(8.57)%
General Revenues				
Property Taxes and STAR	22,800,201	22,276,969	523,232	2.35 %
State Sources	78,402,813	77,316,398	1,086,415	1.41 %
Other	1,957,148	1,218,889	738,259	60.57 %
Total Revenues	<u>110,387,872</u>	<u>108,699,347</u>	<u>1,688,525</u>	1.55 %
<b>Expenses</b>				
General Support	12,799,406	12,493,090	306,316	2.45 %
Instruction	89,937,766	84,789,527	5,148,239	6.07 %
Pupil Transportation	3,810,587	4,853,450	(1,042,863)	(21.49)%
Debt Service - Interest	4,648,275	4,973,260	(324,985)	(6.53)%
Food Service Program	2,282,787	1,970,005	312,782	15.88 %
Total Expenses	<u>113,478,821</u>	<u>109,079,332</u>	<u>4,399,489</u>	4.03 %
Change in Net Position	<u>\$ (3,090,949)</u>	<u>\$ (379,985)</u>	<u>\$ (2,710,964)</u>	713.44 %

The District's net position decreased by \$3,090,949 and \$379,985 for the years ended June 30, 2020 and 2019, respectively.

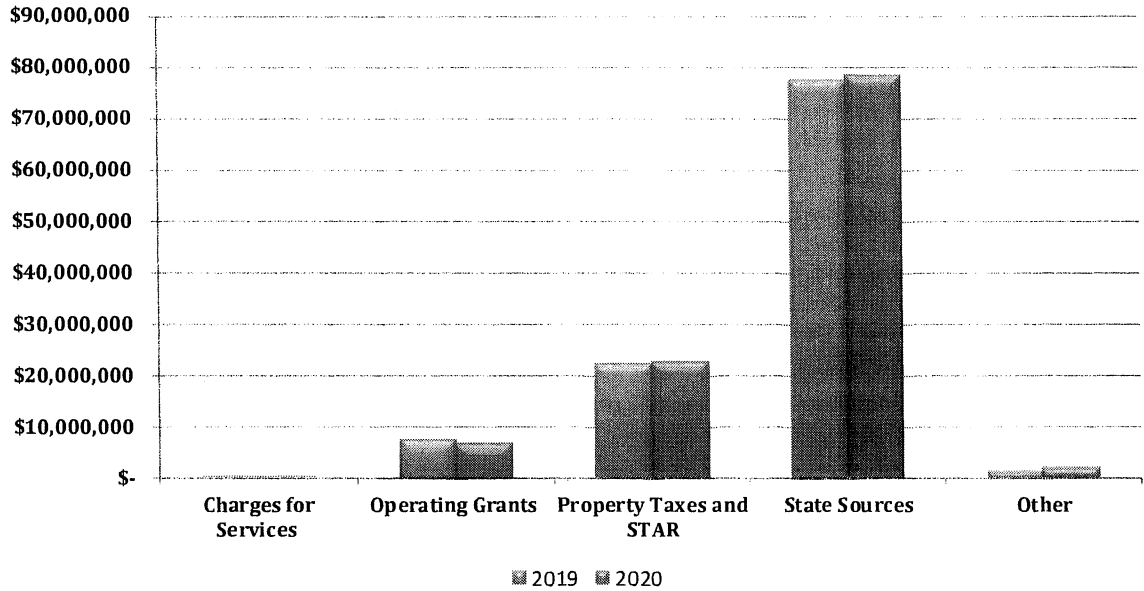
The District's revenues increased by \$1,688,525 or 1.55%. This increase was primarily in state sources, property taxes and STAR. The increase in state sources is due to the District receiving more in basic state aid than it had in the prior year. The decrease in operating grants was offset by the increase in miscellaneous revenues.

The District's total expenses for the year increased by \$4,399,489 or 4.03%. The increase in expenses is primarily due to an increase in instruction. The primary reason for the increase in instruction is due to the impact of the net change in other postemployment benefits costs allocated. Pupil transportation expenses decreased due to the impact of COVID-19 and the implementation of virtual learning.

As indicated on the graphs that follow, state sources and real property taxes and STAR are the largest components of revenues recognized (i.e., 91.7% and 91.6% of the total for the years 2020 and 2019, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 79.2% and 77.7% of the total for the years 2020 and 2019, respectively).

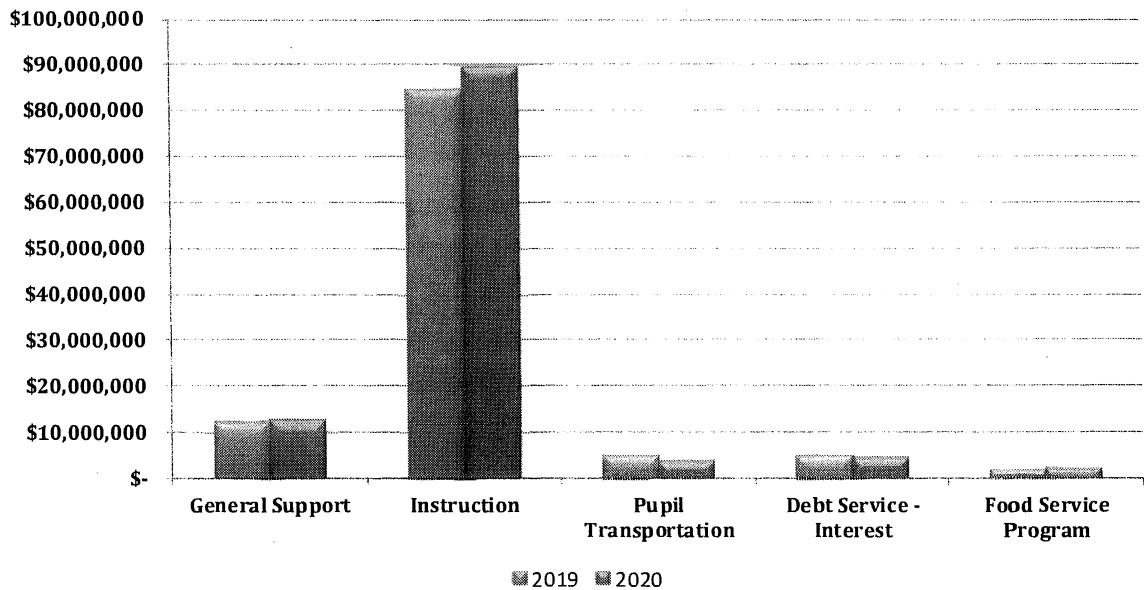
**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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



	Charges for Services	Operating Grants	Property Taxes and STAR	State Sources	Other
<b>2019</b>	0.2%	7.1%	20.5%	71.1%	1.1%
<b>2020</b>	0.2%	6.4%	20.7%	71.0%	1.7%

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



	General Support	Instruction	Pupil Transportation	Debt Service - Interest	Food Service Program
<b>2019</b>	11.5%	77.7%	4.4%	4.6%	1.8%
<b>2020</b>	11.3%	79.2%	3.4%	4.1%	2.0%

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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

At June 30, 2020, the District's governmental funds reported a combined fund balance of \$36,227,488, which is an increase of \$5,667,268, compared to the prior year. The increase is due to an excess of revenues over expenditures using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
<b>General Fund</b>			
Nonspendable: Prepaids	\$ 455,575	\$ 476,075	\$ (20,500)
Restricted:			
Workers' compensation	1,763,232	1,730,748	32,484
Unemployment insurance	1,065,811	1,060,167	5,644
Retirement contribution			
Teachers' retirement system	650,266	50,000	600,266
Employees' retirement system	3,068,854	3,130,250	(61,396)
Employee benefit accrued liability	3,718,935	3,699,240	19,695
Capital	6,629,065	6,096,605	532,460
Repairs	1,641,179	1,632,487	8,692
Assigned:			
Appropriated fund balance	1,600,000	1,000,000	600,000
Designated for special program	28,584	117,110	(88,526)
Unappropriated fund balance	325,628	318,343	7,285
Unassigned: Fund balance	8,024,845	2,924,620	5,100,225
	<u>28,971,974</u>	<u>22,235,645</u>	<u>6,736,329</u>
<b>School Food Service Fund</b>			
Nonspendable: Inventory	22,701	9,531	13,170
Assigned: Unappropriated fund balance	2,495,057	2,445,319	49,738
	<u>2,517,758</u>	<u>2,454,850</u>	<u>62,908</u>
<b>Debt Service Fund</b>			
Restricted: Debt service	1,824,743	2,180,756	(356,013)
<b>Capital Projects Fund</b>			
Restricted:			
Capital	682,582	1,458,538	(775,956)
Unspent bond proceeds	2,025,597	2,025,597	-
Assigned: Unappropriated fund balance	204,834	204,834	-
	<u>2,913,013</u>	<u>3,688,969</u>	<u>(775,956)</u>
 Total Fund Balance	 <u>\$ 36,227,488</u>	 <u>\$ 30,560,220</u>	 <u>\$ 5,667,268</u>

**A. General Fund**

The general fund - fund balance increased by \$6,736,329, as compared to an increase of \$61,485 in the prior year, as revenues and other sources of \$103,025,099 were greater than expenditures and other uses of \$96,288,770. Revenues increased by \$2,152,569 or 2.13% over the prior year. This increase was primarily due to increases in state aid and operating transfers in from the Debt Service Fund.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

Expenditures decreased by \$4,522,275 or 4.49%. The impact of COVID-19 was felt in all expenditure areas.

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

	Balance @ June 30, 2019	Use of Reserves	Interest	Funding	Balance @ June 30, 2020	Appropriated for June 30, 2021
Workers' compensation	\$ 1,730,748	\$ (325,000)	\$ 7,484	\$ 350,000	\$ 1,763,232	\$ 350,000
Unemployment insurance	1,060,167		5,644		1,065,811	20,000
Retirement contribution						
TRS	50,000		266	600,000	650,266	
ERS	3,130,250	(575,000)	13,604	500,000	3,068,854	500,000
EBALR	3,699,240		19,695		3,718,935	
Capital	6,096,605		32,460	500,000	6,629,065	
Repairs	1,632,487		8,692		1,641,179	
	<u>\$ 17,399,497</u>	<u>\$ (900,000)</u>	<u>\$ 87,845</u>	<u>\$ 1,950,000</u>	<u>\$ 18,537,342</u>	<u>\$ 870,000</u>

Additional detail regarding capital reserves can be found in Note 19 "Restricted for Capital Reserve."

**B. School Food Service Fund**

The net change in the school food service fund – fund balance is an increase of \$62,908, which was the operating profit of the food service program.

**C. Debt Service Fund**

The net change in the debt service fund – fund balance is a decrease of \$356,013. The decrease is primarily due to the increase in interfund transfers.

**D. Capital Projects Fund**

The capital projects fund - fund balance decreased by \$775,956 as compared to the prior year, as work continued on the various capital reserve projects.

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

	Balance @ June 30, 2019	Use of Reserves	Funding	Balance @ June 30, 2020
Capital improvements	\$ 910,780	\$ (273,588)	\$	\$ 637,192
Technology	547,758	(502,368)		45,390
	<u>\$ 1,458,538</u>	<u>\$ (775,956)</u>	<u>\$ -</u>	<u>\$ 682,582</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2019-2020 Budget**

The District's general fund adopted budget for the year ended June 30, 2020 was \$104,047,238. This amount was increased by encumbrances carried forward from the prior year in the amount of \$318,343 and budget revisions in the amount of \$227,570 for a total final budget of \$104,593,151.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$78,014,051 in estimated state aid.

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

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

Opening, Unassigned Fund Balance	\$ 2,924,620
Fund Balance Appropriated for Budget Revision	(88,526)
Revenues Over Budget	738,817
Expenditures and Encumbrances Under Budget	7,978,753
Net Change in Nonspendable Fund Balance	20,500
Allocation to Reserves	(2,037,845)
Assigned Fund Balance	88,526
Appropriated to Fund the June 30, 2021 Budget	<u>(1,600,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 8,024,845</u>

**Opening, Unassigned Fund Balance**

The \$2,924,620 shown in the table is the portion of the District's June 30, 2019 fund balance that was retained as unassigned.

**Revenues Over Budget**

The 2019-2020 final budget for revenues was \$102,286,282. Actual revenues recognized for the year were \$103,025,099. The excess of actual revenue over estimated or budgeted revenue was \$738,817, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2019 to June 30, 2020. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

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Expenditures and Encumbrances Under Budget

The 2019-2020 final budget for expenditures was \$104,593,151. Actual expenditures as of June 30, 2020 were \$96,288,770 and outstanding encumbrances were \$325,628. Combined, the expenditures plus encumbrances for 2019-2020 were \$96,614,398. The final budget variance was \$7,978,753, which contributes to the change to the general fund unassigned fund balance from June 30, 2019 to June 30, 2020. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

The District consistently prepays the interest on the 2014E DASNY bond due in July. The resulting balance sheet asset (prepaids) cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The decrease in nonspendable fund balance increases unassigned fund balance.

Allocation to Reserves

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

Assigned Fund Balance

At June 30, 2019, the District assigned \$116,110 for administrative programs. This was the balance of the grant received from New York State. The \$88,526 shown in the previous table is the net change in assigned fund balance.

Appropriated Fund Balance

The District has chosen to use \$1,600,000 of the available June 30, 2020 unassigned fund balance to partially fund the 2020-2021 approved operating budget. As such, the unassigned portion of the June 30, 2020 fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the previous table, the unassigned fund balance at June 30, 2020 was \$8,024,845. This is an increase of \$5,100,225 compared to the unassigned balance as of June 30, 2019. This amount equals 7.54% of the 2020-2021 budget and exceeds the 4.0% statutory limit.

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

**A. Capital Assets**

At June 30, 2020, the District had invested in a broad range of capital assets, as indicated in the following table. The net decrease in capital assets is due to depreciation expense of \$5,542,357 in excess of capital additions of \$888,677 recorded for the year ended June 30, 2020. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2020 and 2019 is as follows:

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

	2020	2019	Increase (Decrease)
Land	\$ 650,000	\$ 650,000	\$ -
Construction in progress	2,325,113	4,360,199	(2,035,086)
Buildings and improvements	197,655,616	200,289,099	(2,633,483)
Site improvements	248,903	273,176	(24,273)
Furniture and equipment	1,888,942	1,839,437	49,505
Vehicles	44,329	54,672	(10,343)
Capital assets, net	<u>\$ 202,812,903</u>	<u>\$ 207,466,583</u>	<u>\$ (4,653,680)</u>

**B. Debt Administration**

At June 30, 2020, the District had total bonds payable of \$125,875,000. The bonds were issued for school building improvements and the refunding of bonds originally issued for building improvements. A summary of the outstanding debt at June 30, 2020 and 2019 is as follows:

Issue Date	Interest Rate	2020	2019	Increase (Decrease)
12/23/2004	0.00%	\$ 150,000	\$ 300,000	\$ (150,000)
12/11/2012	1.25-4.125%	2,820,000	3,170,000	(350,000)
8/13/2013	0.60-4.00%	34,505,000	39,140,000	(4,635,000)
10/8/2014	1.00-3.00%	31,775,000	33,185,000	(1,410,000)
11/3/2016	3.00-5.00%	56,625,000	58,995,000	(2,370,000)
		<u>\$ 125,875,000</u>	<u>\$ 134,790,000</u>	<u>\$ (8,915,000)</u>

As shown in the table, the District's total outstanding indebtedness at June 30, 2020 was \$125,875,000. The District has applied for and received a building aid exclusion certificate in the amount of \$103,917,453 from the Commissioner of Education, and, therefore, may exclude such amount from its total indebtedness for purposes of calculating its constitutional debt limit. The District's total outstanding indebtedness, net of the building aid exclusion, currently does not exceed its debt limit of \$115,037,500, which is 10% of the full valuation of the taxable real property within the District.

The District's latest enhanced, long-term credit rating from Moody's Investors Service, Inc. is Aa3. The District's outstanding serial bonds, net at June 30, 2020 are approximately 19.09% of the District's debt limit.

**C. Other Long-Term Liabilities**

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, and net pension liability – proportionate share and total other postemployment benefits liability. The compensated absences liability is based on employment contracts. The net pension liability – proportionate share and total other postemployment benefits liability are based on actuarial valuations.



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

	2020	2019	Increase (Decrease)
Compensated absences payable	\$ 4,253,977	\$ 4,280,926	\$ (26,949)
Net pension liability - proportionate share	4,818,296	1,306,474	3,511,822
Total OPEB liability	140,930,942	121,467,552	19,463,390
	\$ 150,003,215	\$ 127,054,952	\$ 22,948,263

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

**A. Subsequent Year's Budget**

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on June 9, 2020, for the year ending June 30, 2021, is \$106,869,229. This is an increase of \$2,821,991 or 2.71% over the previous year's budget. The increase is principally in the instructional program (\$2,758,361) area of the budget.

The District budgeted revenues other than property taxes and STAR at a \$1,735,576 increase over the prior year's estimate, which is principally due to an estimated increase in state aid. The assigned, appropriated fund balance applied to the budget in the amount of \$1,600,000 is a \$600,000 increase over the previous year. Additionally, the District has elected to appropriate \$870,000 of reserves towards the next year's budget, which is a decrease of \$30,000 from the previous year. The property tax levy of \$23,298,002 increased \$516,415 or 2.27%, over the 2019-2020 tax levy.

**B. Future Budgets**

The property tax cap and uncertainty in state aid and federal funds, as well as operating adjustments attributed to COVID-19, may impact the District's future budgets.

**C. Tax Cap**

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2020-2021 is 3.23%. The District's 2020-2021 property tax levy increase of 2.27% was less than the tax cap and did not require an override vote.

**8. CONTACTING THE DISTRICT**

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

Ms. Michele VanEyken  
Acting Superintendent of Schools  
Roosevelt Union Free School District  
240 Denton Place  
Roosevelt, New York 11575

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Statement of Net Position**  
June 30, 2020

**ASSETS**

Cash		
Unrestricted	\$	10,469,130
Restricted		23,070,264
Receivables		
Accounts receivable		401,201
Due from fiduciary funds		702,864
Due from state and federal		7,838,264
Due from other governments		1,511,509
Prepays		455,575
Inventories		22,701
Capital assets not being depreciated		2,975,113
Capital assets being depreciated, net of accumulated depreciation		199,837,790
Net pension asset - proportionate share		5,228,576
Total Assets		<u>252,512,987</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charges on advance refunding, net	2,025,421
Pensions	20,067,449
Other postemployment benefits	39,535,502
Total Deferred Outflows of Resources	<u>61,628,372</u>

**LIABILITIES**

Payables		
Accounts payable	2,993,050	
Accrued liabilities	2,567,865	
Due to other governments	525	
Due to teachers' retirement system	3,331,563	
Due to employees' retirement system	230,346	
Compensated absences payable	237,252	
Unearned credits		
Collections in advance	10,320	
Long-term liabilities		
Due and payable within one year		
Bonds payable	9,350,000	
Bond premium	1,245,836	
Compensated absences payable	474,609	
Due and payable after one year		
Bonds payable	116,525,000	
Bond premium	7,745,944	
Compensated absences payable	3,779,368	
Net pension liability - proportionate share	4,818,296	
Total other postemployment benefits liability	140,930,942	
Total Liabilities		<u>294,240,916</u>

**DEFERRED INFLOWS OF RESOURCES**

Pensions	7,953,897
Other postemployment benefits	24,462,436
Total Deferred Inflows of Resources	<u>32,416,333</u>

**NET POSITION (DEFICIT)**

Net investment in capital assets	<u>73,049,641</u>
Restricted	
Workers' compensation	1,763,232
Unemployment insurance	1,065,811
Retirement contribution	
Teachers' retirement system	650,266
Employees' retirement system	3,068,854
Employee benefit accrued liability	3,718,935
Capital	7,311,647
Repairs	1,641,179
Debt service	1,824,743
	<u>21,044,667</u>
Unrestricted (deficit)	<u>(106,610,198)</u>
Total Net Position (Deficit)	<u>\$ (12,515,890)</u>

See Notes to Financial Statements

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Statement of Activities**  
For The Year Ended June 30, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
<b>FUNCTIONS/PROGRAMS</b>				
General support	\$ 12,799,406	\$	\$	\$ (12,799,406)
Instruction	89,937,766	95,277	4,851,338	(84,991,151)
Pupil transportation	3,810,587			(3,810,587)
Debt service - interest	4,648,275			(4,648,275)
Food service program	2,282,787	87,925	2,193,170	(1,692)
Total Functions and Programs	<u>\$ 113,478,821</u>	<u>\$ 183,202</u>	<u>\$ 7,044,508</u>	<u>(106,251,111)</u>
<b>GENERAL REVENUES</b>				
Real property taxes				20,157,109
Other tax items				2,781,659
Use of money and property				218,045
Sale of property and compensation for loss				32,650
Miscellaneous				1,398,065
State sources				78,402,813
Medicaid reimbursement				169,821
Total General Revenues				<u>103,160,162</u>
Change in Net Position				(3,090,949)
Total Net Position (Deficit) - Beginning of year				<u>(9,424,941)</u>
Total Net Position (Deficit) - End of year				<u>\$ (12,515,890)</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
June 30, 2020

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>						
Cash						
Unrestricted	\$ 5,500,638	\$ 1,449,025	\$ 2,860,975	\$	\$ 658,492	\$ 10,469,130
Restricted	18,543,923			1,818,162	2,708,179	23,070,264
Receivables						
Accounts receivable	37,250	363,951				401,201
Due from other funds	7,365,922		61,924	11,793	1,438	7,441,077
Due from state and federal	2,957,958	4,531,141	349,165			7,838,264
Due from other governments	1,460,173			51,336		1,511,509
Prepays	455,575					455,575
Inventories			22,701			22,701
Total Assets	<u>\$ 36,321,439</u>	<u>\$ 6,344,117</u>	<u>\$ 3,294,765</u>	<u>\$ 1,881,291</u>	<u>\$ 3,368,109</u>	<u>\$ 51,209,721</u>
<b>LIABILITIES</b>						
Payables						
Accounts payable	\$ 2,113,027	\$ 249,765	\$ 186,955	\$	\$ 443,303	\$ 2,993,050
Accrued liabilities	721,485	1,001	2,412			724,898
Due to other funds	1,438	6,083,031	585,403	56,548	11,793	6,738,213
Due to other governments			525			525
Due to teachers' retirement system	3,331,563					3,331,563
Due to employees' retirement system	230,346					230,346
Compensated absences payable	237,252					237,252
Unearned credits						
Collections in advance		10,320				10,320
Total Liabilities	<u>6,635,111</u>	<u>6,344,117</u>	<u>775,295</u>	<u>56,548</u>	<u>455,096</u>	<u>14,266,167</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	714,354		1,712			716,066
<b>FUND BALANCES</b>						
Nonspendable:						
Prepays	455,575					455,575
Inventories			22,701			22,701
Restricted:						
Workers' compensation	1,763,232					1,763,232
Unemployment insurance	1,065,811					1,065,811
Retirement contribution						
Teachers' retirement system	650,266					650,266
Employees' retirement system	3,068,854					3,068,854
Employee benefit accrued liability	3,718,935					3,718,935
Capital	6,629,065				682,582	7,311,647
Repairs	1,641,179					1,641,179
Debt service				1,824,743		1,824,743
Unspent bond proceeds					2,025,597	2,025,597
Assigned:						
Appropriated fund balance	1,600,000					1,600,000
Designated for special programs	28,584					28,584
Unappropriated fund balance	325,628		2,495,057		204,834	3,025,519
Unassigned: Fund balance	8,024,845					8,024,845
Total Fund Balances	<u>28,971,974</u>	<u>-</u>	<u>2,517,758</u>	<u>1,824,743</u>	<u>2,913,013</u>	<u>36,227,488</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,321,439</u>	<u>\$ 6,344,117</u>	<u>\$ 3,294,765</u>	<u>\$ 1,881,291</u>	<u>\$ 3,368,109</u>	<u>\$ 51,209,721</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
June 30, 2020

Total Governmental Fund Balances \$ 36,227,488

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

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

Original cost of capital assets	\$ 267,989,372	
Less: Accumulated depreciation	<u>(65,176,469)</u>	202,812,903

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

Net pension asset - teachers' retirement system	5,228,576	
Deferred outflows of resources	20,067,449	
Net pension liability - employees' retirement system	(4,818,296)	
Deferred inflows of resources	<u>(7,953,897)</u>	12,523,832

Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.

Deferred charges on advance refunding	3,254,017	
Less: accumulated amortization	<u>(1,228,596)</u>	2,025,421

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

Deferred outflows of resources	39,535,502	
Total other postemployment benefits liability	(140,930,942)	
Deferred inflows of resources	<u>(24,462,436)</u>	(125,857,876)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

716,066

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

Accrued interest on bonds payable	(1,842,967)	
Bonds payable	(125,875,000)	
Bond premium	(8,991,780)	
Compensated absences payable	<u>(4,253,977)</u>	(140,963,724)

Total Net Position (Deficit)		<u>\$ (12,515,890)</u>
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**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
For The Year Ended June 30, 2020

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>						
Real property taxes	\$ 20,157,109	\$	\$	\$	\$	\$ 20,157,109
Other tax items	2,781,659					2,781,659
Charges for services	95,277					95,277
Use of money and property	100,643		24,750	92,652		218,045
Sale of property and compensation for loss	32,650					32,650
Miscellaneous	785,127	99,423	13,258			897,808
State sources	78,402,813	2,811,520	50,041			81,264,374
Medicaid reimbursement	169,821					169,821
Federal sources		1,940,395	2,141,417			4,081,812
Sales			74,667			74,667
<b>Total Revenues</b>	<b>102,525,099</b>	<b>4,851,338</b>	<b>2,304,133</b>	<b>92,652</b>	<b>-</b>	<b>109,773,222</b>
<b>EXPENDITURES</b>						
General support	9,174,439					9,174,439
Instruction	50,798,183	4,525,118				55,323,301
Pupil transportation	3,572,673	201,540				3,774,213
Employee benefits	17,756,441	246,983				18,003,424
Debt service						
Principal				8,915,000		8,915,000
Interest				5,898,396		5,898,396
Food service program			2,241,225			2,241,225
Capital outlay					775,956	775,956
<b>Total Expenditures</b>	<b>81,301,736</b>	<b>4,973,641</b>	<b>2,241,225</b>	<b>14,813,396</b>	<b>775,956</b>	<b>104,105,954</b>
Excess (Deficiency) of Revenues Over Expenditures	21,223,363	(122,303)	62,908	(14,720,744)	(775,956)	5,667,268
<b>OTHER FINANCING SOURCES AND (USES)</b>						
Operating transfers in	500,000	122,303		14,864,731		15,487,034
Operating transfers (out)	(14,987,034)			(500,000)		(15,487,034)
<b>Total Other Financing Sources and (Uses)</b>	<b>(14,487,034)</b>	<b>122,303</b>	<b>-</b>	<b>14,364,731</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>6,736,329</b>	<b>-</b>	<b>62,908</b>	<b>(356,013)</b>	<b>(775,956)</b>	<b>5,667,268</b>
Fund Balances - Beginning of year	22,235,645		2,454,850	2,180,756	3,688,969	30,560,220
<b>Fund Balances - End of year</b>	<b>\$ 28,971,974</b>	<b>\$ -</b>	<b>\$ 2,517,758</b>	<b>\$ 1,824,743</b>	<b>\$ 2,913,013</b>	<b>\$ 36,227,488</b>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
For The Year Ended June 30, 2020

Net Change in Fund Balances		\$ 5,667,268
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-Term Revenue and Expense Differences</u>		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	\$ 614,650	
Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.		
Decrease in compensated absences payable	26,949	641,599
<u>Capital Related Differences</u>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays in the period.		
Capital outlays and other additions	888,677	
Depreciation expense	(5,542,357)	(4,653,680)
<u>Long-Term Debt Transactions Differences</u>		
The amortization of the premium, net of the amortization of the deferred charges, on the advance refunding of bonds, decreases interest expense in the Statement of Activities.	1,107,923	
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Repayment of bond principal	8,915,000	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2019 to June 30, 2020.	142,198	10,165,121
<u>Pension and Other Postemployment Benefits Differences</u>		
The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.		
Teachers' retirement system	(3,316,315)	
Employees' retirement system	(872,850)	
Other postemployment benefits	(10,722,092)	(14,911,257)
Change in Net Position of Governmental Activities		\$ (3,090,949)

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
June 30, 2020

	Agency	Private Purpose Trust
<b>ASSETS</b>		
Cash		
Unrestricted	\$ 879,670	\$
Restricted		14,275
Total Assets	\$ 879,670	14,275
 <b>LIABILITIES</b>		
Extraclassroom activity balances	\$ 47,545	
Due to governmental funds	702,864	
Other liabilities	129,261	
Total Liabilities	\$ 879,670	-
 <b>NET POSITION</b>		
Restricted for scholarships		\$ 14,275



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position -**  
**Fiduciary Funds**  
For The Year Ended June 30, 2020

	Private Purpose Trust
<b>ADDITIONS</b>	
Contributions	\$ 5,500
<b>DEDUCTIONS</b>	
Scholarships and awards	13,452
Change in Net Position	(7,952)
Net Position - Beginning of Year	22,227
Net Position - End of Year	\$ 14,275

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following entity is included in the District's financial statements.

Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. The District reports these assets held by it as agent for the extraclassroom organizations in the Statement of Fiduciary Net Position - Fiduciary Funds. Separate audited financial statements of the extraclassroom activity funds can be found at the District's Business Office.

**B. Joint Venture**

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**C. Basis of Presentation**

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

**Debt Service Fund** - accounts for the accumulation of resources for, and the payment of, principal and interest on long-term general obligation debt of governmental activities, as well as the advance refunding of a portion of the District's outstanding serial bonds.

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

***Agency Funds*** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

***Private Purpose Trust Funds*** - These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

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

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

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

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**E. Real Property Taxes**

Calendar

Real property taxes are levied annually by the Board of Education no later than August 15<sup>th</sup> and become a lien on October 1<sup>st</sup> and April 1<sup>st</sup>. Taxes are collected by the Town of Hempstead and remitted to the District from December to June.

Enforcement

Uncollected real property taxes are subsequently enforced by Nassau County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than June 30<sup>th</sup>.

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

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

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes with annual increases of no more than 2% in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$103,784 in LIPA PILOT revenue during the 2019-2020 fiscal year.

**G. Restricted Resources**

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

**H. Interfund Transactions**

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

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

**I. Use of Estimates**

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

**J. Cash and Cash Equivalents/Investments**

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

Investments are reported at fair value, based on quoted market prices.

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

**K. Receivables**

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

**L. Inventories and Prepaid Items**

Inventory of food in the school food service fund is recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. These inventories are accounted for on the consumption method.

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the Statement of Net Position and Balance Sheet using the consumption method.

Under the consumption method, a current asset for inventories and prepaids is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventories and prepaids do not constitute available spendable resources.

**M. Capital Assets**

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

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

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	\$ 500	50 years
Furniture and equipment	500	5-20 years
Site improvements	500	20 years
Vehicles	500	8 years

**N. Deferred Outflows of Resources**

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has three items that qualify for reporting in this category. First is the unamortized amount of deferred charges from the refunding of bonds that is being amortized as a component of interest expense on a weighted average over the remaining life of the debt. The second item is related to pensions and consists of the District's proportionate share of the changes in the collective net pension asset or liability not included in the collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB expense.

**O. Short-Term Debt**

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

No short-term debt was issued during the period ended June 30, 2020.

**P. Collections in Advance**

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when state aid is received in advance of the intended period of use. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

**Q. Employee Benefits – Compensated Absences**

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

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

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

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

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

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

**R. Other Benefits**

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

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



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

**S. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes amounts due from other governments for tuition charges. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the District-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB expense.

**T. Equity Classifications**

District-Wide Statements

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

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

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

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Fund Statements

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

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

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

*Workers' Compensation Reserve*

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

*Unemployment Insurance Reserve*

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

*Retirement Contribution Reserve*

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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*Employee Benefit Accrued Liability Reserve*

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

*Capital Reserve*

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

*Repairs Reserve*

Repairs Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. The reserve is accounted for in the general fund.

*Restricted for Debt Service*

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

*Restricted – Unspent Bond Proceeds*

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

*Restricted for Scholarships*

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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*Assigned* – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District’s Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year’s budget, an amount designated for special programs, and encumbrances not classified as restricted at the end of the fiscal year.

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

Fund Balance Classification

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

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by the budget or any Board approved budget revision, then from the assigned fund balance to the extent appropriated by the Board, and then from the unassigned fund balance.

**2. FUTURE ACCOUNTING STANDARDS**

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

<b>Effective for the Year Ending</b>	<b>Statement</b>
June 30, 2021	GASB No. 84 - <i>Fiduciary Activities</i>
June 30, 2022	GASB No. 87 - <i>Leases</i>

GASB Statement No. 84 will require the District to assess activities currently classified as fiduciary and reported in the fiduciary funds to determine if these activities should be considered fiduciary in nature or if these activities should be reported as governmental funds.

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

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

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

**4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets**

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

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

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

Appropriated fund balance for the grant and other programs	\$ 139,044
Gifts and donations for miscellaneous appropriations	<u>88,526</u>
	<u>\$ 227,570</u>

Budgets are adopted annually on a basis consistent with GAAP.

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

**B. Encumbrances**

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

**C. Unassigned Fund Balance**

The District's general fund unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District is in the process of formulating a plan to reduce the unassigned fund balance to be

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

within the permissible limit. This plan will address funding its reserves to a fiscally prudent level and the capital needs of the District.

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

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

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

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

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

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

**Investment Pool:**

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYLAF investment and collateral policies are in accordance with General Municipal Law Sections 10 and 11.

Total investments of the cooperative at June 30, 2020 are \$141,282,022, which consisted of \$69,553,000 in repurchase agreements, \$56,712,500 in U.S. Treasury Securities, \$15,016,522 in collateralized bank deposits, with various interest rates and due dates.

The following amounts, invested in NYLAF, are included as cash:

Fund	Carrying Amount
General	\$ 23,495,339
Special Aid	1,059,708
School Food Service	2,604,192
	\$ 27,159,239

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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The above amount represents the fair value of the investment pool shares. The lead agent of NYLAF is the Red Hook Central School District. Additional information concerning NYLAF, including the annual report, can be found on its website at [www.nylaf.org](http://www.nylaf.org).

**6. PARTICIPATION IN BOCES**

During the year ended June 30, 2020, the District was billed \$8,064,220 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,906,002, of which \$181,968 was deferred as discussed in Note 15. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

**7. DUE FROM STATE AND FEDERAL**

Due from state and federal at June 30, 2020 consisted of:

General Fund	
New York State - excess cost aid	\$ 1,504,756
BOCES aid	<u>1,453,202</u>
	2,957,958
Special Aid Fund	
Federal and state grants	4,531,141
School Food Service Fund	
Federal and state food service program reimbursements	<u>349,165</u>
	<u>\$ 7,838,264</u>

District management expects these amounts to be fully collectible.

**8. DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2020 consisted of:

General Fund	
Nassau County - property taxes	\$ 1,350,781
Tuition - other districts	90,082
PILOT	14,357
ROTC	<u>4,953</u>
	1,460,173
Debt Service Fund	
Internal Revenue Service	<u>51,336</u>
	<u>\$ 1,511,509</u>

District management expects these amounts to be fully collectible.



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**9. CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 650,000	\$	\$	\$ 650,000
Construction in progress	4,360,199	440,663	(2,475,749)	2,325,113
Total capital assets not being depreciated	<u>5,010,199</u>	<u>440,663</u>	<u>(2,475,749)</u>	<u>2,975,113</u>
Capital assets being depreciated:				
Buildings and improvements	254,680,318	2,475,749		257,156,067
Site improvements	770,797			770,797
Furniture and equipment	6,612,395	448,014	(166,368)	6,894,041
Vehicles	193,354			193,354
Total capital assets being depreciated	<u>262,256,864</u>	<u>2,923,763</u>	<u>(166,368)</u>	<u>265,014,259</u>
Less accumulated depreciation for:				
Buildings and improvements	54,391,219	5,109,232		59,500,451
Site improvements	497,621	24,273		521,894
Furniture and equipment	4,772,958	398,509	(166,368)	5,005,099
Vehicles	138,682	10,343		149,025
Total accumulated depreciation	<u>59,800,480</u>	<u>5,542,357</u>	<u>(166,368)</u>	<u>65,176,469</u>
Total capital assets being depreciated, net	<u>202,456,384</u>	<u>(2,618,594)</u>	<u>-</u>	<u>199,837,790</u>
Capital assets, net	<u>\$ 207,466,583</u>	<u>\$ (2,177,931)</u>	<u>\$ (2,475,749)</u>	<u>\$ 202,812,903</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 54,655
Instruction	5,446,140
Food service program	<u>41,562</u>
Total depreciation expense	<u>\$ 5,542,357</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**10. INTERFUND TRANSACTIONS**

Interfund balances and activities at June 30, 2020, are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 7,365,922	\$ 1,438	\$ 500,000	\$ 14,987,034
Special Aid Fund		6,083,031	122,303	
School Food Service Fund	61,924	585,403		
Debt Service Fund	11,793	56,548	14,864,731	500,000
Capital Projects Fund	1,438	11,793		
Total Governmental Funds	<u>7,441,077</u>	<u>6,738,213</u>	<u>\$ 15,487,034</u>	<u>\$ 15,487,034</u>
Fiduciary Funds		702,864		
Total	<u>\$ 7,441,077</u>	<u>\$ 7,441,077</u>		

The District typically transfers from the general fund to the special aid fund for the District's share of the costs of the summer program for students with disabilities and for the costs of Section 4201 schools tuition, and to the debt service fund for the current year debt expenditures. The District also transferred from the debt service fund to the general fund in accordance with the general fund budget.

**11. LONG-TERM LIABILITIES**

**A. Changes**

The following table summarizes the changes in governmental activities in long-term liabilities, excluding pension and other postemployment benefits obligations, for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 134,790,000	\$	\$ (8,915,000)	\$125,875,000	\$ 9,350,000
Add: Bond premium	10,335,441		(1,343,661)	8,991,780	1,245,836
	<u>145,125,441</u>	-	<u>(10,258,661)</u>	<u>134,866,780</u>	<u>10,595,836</u>
Other long-term liabilities:					
Compensated absences	4,280,926		(26,949)	4,253,977	474,609
	<u>\$ 149,406,367</u>	<u>\$</u>	<u>\$ (10,285,610)</u>	<u>\$139,120,757</u>	<u>\$ 11,070,445</u>

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**B. Bonds Payable**

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2020
Qualified Zone Academy	12/23/2004	12/15/2020	0.00%	\$ 150,000
Qualified School Construction	12/11/2012	12/15/2026	1.25-4.125%	2,820,000
DASNY 2013F	8/13/2013	8/15/2027	0.60-4.00%	34,505,000
DASNY 2014E	10/8/2014	1/1/2035	1.00-3.00%	31,775,000
DASNY 2016K	11/3/2016	12/1/2036	3.00-5.00%	<u>56,625,000</u>
				<u>\$125,875,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 9,350,000	\$ 5,467,025	\$ 14,817,025
2022	9,755,000	5,029,375	14,784,375
2023	10,230,000	4,556,000	14,786,000
2024	10,470,000	4,057,125	14,527,125
2025	10,840,000	3,545,500	14,385,500
2026 - 2030	35,355,000	12,116,575	47,471,575
2031 - 2035	33,555,000	5,524,153	39,079,153
2036 - 2037	<u>6,320,000</u>	<u>300,900</u>	<u>6,620,900</u>
Total	<u>\$125,875,000</u>	<u>\$ 40,596,653</u>	<u>\$166,471,653</u>

**C. Advance Refunding**

In prior years, the District advanced refunded serial bonds, which resulted in a deferred charge and a refunding bond premium. These amounts are being amortized as a component of interest expense on a straight-line basis over the life of the bonds in the district-wide statements as follows:

Year Ending June 30,	Amortization of Deferred Charges	Amortization of Premium	Interest Expense Increase / (Decrease)
2021	\$ 225,579	\$ (1,245,836)	\$ (1,020,257)
2022	214,779	(1,142,697)	(927,918)
2023	203,313	(1,034,055)	(830,742)
2024	191,577	(921,209)	(729,632)
2025	179,728	(804,532)	(624,804)
2026 - 2030	700,028	(2,689,758)	(1,989,730)
2031 - 2035	298,792	(1,110,990)	(812,198)
2036 - 2037	<u>11,625</u>	<u>(42,703)</u>	<u>(31,078)</u>
Total	<u>\$ 2,025,421</u>	<u>\$ (8,991,780)</u>	<u>\$ (6,966,359)</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**D. Interest Expense**

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

Interest paid	\$ 5,898,396
Less interest accrued in the prior year	(1,985,165)
Plus interest accrued in the current year	1,842,967
Plus amortization of deferred charges on refunding	235,738
Less amortization of bond premium	<u>(1,343,661)</u>
Total interest expense on long-term debt	<u>\$ 4,648,275</u>

**E. Additional Disclosure**

In the event that the District were to default on bond principal or interest payments, a court has the power, in proper and appropriate proceedings brought by the bond owner, to render judgment against the District. A court has the power to order payment of such bonds or notes from funds available or to order the District to take all lawful action to obtain the funds, including the raising of the funds in the next annual tax levy. The bond owner may also file with the New York State Comptroller a verified statement alleging default in the payment of principal or interest. The New York State Comptroller will have a duty to investigate the circumstances of the alleged default and prepare determinations from their office. The New York State Comptroller is required, under the conditions and to the extent prescribed by section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of the defaulted principal and interest.

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

**A. General Information**

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

**B. Provisions and Administration**

Teachers' Retirement System

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Employees' Retirement System

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

**C. Funding Policies**

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to the ERS or 3.5% of their salary to the TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30<sup>th</sup>, and employer contributions are deducted from state aid in the subsequent months of September, October and November. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by the prior February 1<sup>st</sup>. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.62% of covered payroll for the TRS' fiscal year ended June 30, 2019. The District's average contribution rate was 14.54% of covered payroll for the ERS' fiscal year ended March 31, 2020.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2020, was \$2,985,269 for TRS at the contribution rate of 8.86% and \$919,177 for ERS at an average contribution rate of 14.52%.

**D. Pension Asset, Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension liability for each of the systems. The net pension asset/(liability) was measured as of June 30, 2019, for the TRS and March 31, 2020 for the ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS systems in reports provided to the District.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2019	March 31, 2020
District's proportionate share of the net pension asset/(liability)	\$ 5,228,576	\$ (4,818,296)
District's portion of the Plan's total net pension asset/(liability)	0.201253%	0.0181956%
Change in proportion since the prior measurement date	(0.000897)	(0.0002436)

For the year ended June 30, 2020, the District recognized pension expense of \$6,300,920 for the TRS and \$1,792,027 for the ERS. At June 30, 2020, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 3,543,272	\$ 283,576	\$ 388,807	\$
Change of assumptions	9,877,479	97,018	2,408,409	83,773
Net difference between projected and actual earnings on pension plan investments		2,470,093	4,193,048	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	134,129	446,267	815,553	64,307
District contributions subsequent to the measurement date	<u>2,985,269</u>	<u>230,346</u>		
Total	<u>\$ 16,540,149</u>	<u>\$ 3,527,300</u>	<u>\$ 7,805,817</u>	<u>\$ 148,080</u>

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>TRS</u>	<u>ERS</u>
2021	\$ 2,204,385	\$ 609,838
2022	(11,001)	825,605
2023	2,195,811	956,965
2024	1,408,574	756,466
2025	120,237	
Thereafter	<u>(168,943)</u>	
	<u>\$ 5,749,063</u>	<u>\$ 3,148,874</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2019	March 31, 2020
Actuarial valuation date	June 30, 2018	April 1, 2019
Inflation	2.20%	2.50%
Salary increases	1.90-4.72%	4.20%
Investment rate of return (net of investment expense, including inflation)	7.10%	6.80%
Cost of living adjustments	1.30%	1.30%

For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018, applied on a generational basis. Active member mortality rates are based on plan member experience. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 system experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

For TRS, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For the ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

	TRS		ERS	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Measurement date		June 30, 2019		March 31, 2020
Asset type				
Domestic equity	33.0%	6.30%	36.0%	4.05%
International equity	16.0%	7.80%	14.0%	6.15%
Global equity	4.0%	7.20%		
Real estate	11.0%	4.60%	10.0%	4.95%
Private equities	8.0%	9.90%	10.0%	6.75%
Alternatives investments			8.0%	3.25-5.95%
Domestic fixed income securities	16.0%	1.30%		
Global fixed income securities	2.0%	0.90%		
High-yield fixed income securities	1.0%	3.60%		
Bonds and mortgages			17.0%	0.75%
Private debt	1.0%	6.50%		
Real estate debt	7.0%	2.90%		
Cash and equivalents	1.0%	0.30%		
Cash			1.0%	0.00%
Inflation indexed bonds			4.0%	0.50%
	100.0%		100.0%	

Real rates of return are net of long-term inflation assumption of 2.2% for TRS and 2.5% for ERS.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10% for the TRS and 6.80% for the ERS (the discount rate used by the TRS at the prior year's measurement date of June 30, 2018, was 7.25% and the discount rate used by the ERS at the prior year's measurement date of March 31, 2019, was 7.00%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.10% for the TRS and 6.80% for the ERS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.10% for TRS and 5.80% for ERS) or 1 percentage point higher (8.10% for TRS and 7.80% for ERS) than the current rate:



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

TRS	1% Decrease 6.10 %	Current Assumption 7.10 %	1% Increase 8.10 %
District's proportionate share of the net pension asset (liability)	<u>\$ (23,601,246)</u>	<u>\$ 5,228,576</u>	<u>\$ 29,413,543</u>
ERS	1% Decrease 5.80 %	Current Assumption 6.80 %	1% Increase 7.80 %
District's proportionate share of the net pension asset (liability)	<u>\$ (8,842,934)</u>	<u>\$ (4,818,296)</u>	<u>\$ (1,111,588)</u>

**Pension Plan Fiduciary Net Position**

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

	TRS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2019	March 31, 2020
Employers' total pension liability	\$ (119,879,474)	\$ (194,596,261)
Plan fiduciary net position	<u>122,477,481</u>	<u>168,115,682</u>
Employers' net pension asset/(liability)	<u>\$ 2,598,007</u>	<u>\$ (26,480,579)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	102.17%	86.39%

**Payables to the Pension Plan**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020, are paid to the system in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020, represent employer and employee contributions for the fiscal year ended June 30, 2020, based on paid TRS covered wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2020 amounted to \$2,985,269 of employer contributions and \$346,294 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020, represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$230,346 of employer contributions. Employee contributions are remitted monthly.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**13. PENSION PLANS - OTHER**

**A. Tax Sheltered Annuities**

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. For the year ended June 30, 2020, there were no employer non-elective contributions and employee elective contributions were \$1,481,382.

**B. Deferred Compensation Plan**

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2020 totaled \$82,270.

**14. POSTEMPLOYMENT HEALTHCARE BENEFITS**

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

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

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

*Employees Covered by Benefit Terms* – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	203
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	493
	696

**B. Total OPEB Liability**

The District's total OPEB liability of \$140,930,942 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Inflation	2.20%
Salary increases	varied by years of service and retirement system
Discount rate	2.21%
Healthcare cost trend rates	5.30% for 2020, decreasing to an ultimate rate of 3.84% by 2075
Retirees' share of benefit-related costs	0.00-15.00% of projected health insurance premiums for retirees and 7.00-25.00% of projected health insurance premiums for retirees spouses

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

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

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

Balance at June 30, 2019	<u>\$ 121,467,552</u>
Changes for the year	
Service cost	6,722,885
Interest	4,456,382
Changes of benefit terms	-
Differences between expected and actual experience	(17,958,925)
Changes in assumptions or other inputs	28,720,391
Benefit payments	<u>(2,477,343)</u>
	<u>19,463,390</u>
Balance at June 30, 2020	<u><u>\$ 140,930,942</u></u>

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% in 2019 to 2.21% in 2020.

*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 1percentage point lower or 1 percentage point higher than the current discount rate:

OPEB	1% Decrease 1.21 %	Discount Rate 2.21 %	1% Increase 3.21 %
Total OPEB liability	<u>\$ (170,218,029)</u>	<u>\$ (140,930,942)</u>	<u>\$ (118,067,497)</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	4.30%	5.30%	6.30%
	decreasing to	decreasing to	decreasing to
OPEB	2.84%	3.84%	4.84%
Total OPEB liability	<u>\$ (112,116,495)</u>	<u>\$ (140,930,942)</u>	<u>\$ (180,060,024)</u>

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

For the year June 30, 2020, the District recognized OPEB expense of \$13,199,435. At June 30, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$	\$ 21,094,006
Changes of assumptions and other inputs	39,535,502	3,368,430
Total	\$ 39,535,502	\$ 24,462,436

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

Year Ending June 30,	Amount
2021	\$ 2,020,168
2022	2,020,168
2023	2,020,168
2024	2,020,168
2025	2,020,168
Thereafter	4,972,226
	\$ 15,073,066

**15. DEFERRED INFLOWS OF RESOURCES**

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2020, includes of that portion of the amount due from New York State for local aid payments, including BOCES aid, which is unavailable. Of the 2019-2020 school year aid payments outstanding at June 30, 2020, 20%, or \$584,186, was effectively withheld by the State, in response to revenue losses arising from the lack of federal funding. Unavailable revenues, in the general fund at June 30, 2020, total \$714,354.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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Additionally, 20% of the amounts payable to the District at June 30, 2020, was withheld by the State for child nutrition reimbursements. Unavailable revenues, in the School Food Service Fund at June 30, 2020 total \$1,712.

**16. RISK MANAGEMENT**

**A. General Information**

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

**B. Public Entity Risk Pool**

The District participates in the New York State Public Schools Statewide Workers' Compensation Trust (the Workers' Compensation Plan), a risk sharing pool, to insure workers' compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Workers' Compensation Plan, through its plan administrator, provides participating members with risk management services, as well as workers' compensation and employers' liability coverage. Participating members agree to make contributions as determined by the Plan. The Plan is allowed to make additional pro-rated assessments to its members if the assets of the Plan are insufficient to enable the Plan to discharge its legal liabilities and other obligations or to maintain required reserves. During the year ended June 30, 2020, the District's contribution to the Plan was \$482,610. According to the Plan's actuary, the Workers' Compensation Plan's total liability for unbilled and open claims at June 30, 2020, discounted at 2%, was \$25,371,907. The Plan did not levy additional assessments during the 2019-2020 plan year. If the District leaves the plan or if the plan is terminated, the District will be liable for its open claims at that time. At June 30, 2020, the District's allocated share of unbilled and open claims, discounted at 2%, were \$1,527,389.

**C. Public Entity Risk Pool**

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

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

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2020 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2021:

Workers' compensation	\$ 350,000
Unemployment insurance	20,000
Retirement system contribution - ERS	<u>500,000</u>
	<u>\$ 870,000</u>

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**18. ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$1,600,000 has been appropriated to reduce taxes for the year ending June 30, 2021.

**19. RESTRICTED FOR CAPITAL RESERVE**

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

	Capital Reserve	
	I	II
Date Created	May 2008	May 2008
Date Extended	May 2017	May 2017
Number of Years to Fund	15	15
Maximum Funding	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
<b>General Fund</b>		
Funding Provided Since Inception	\$ 9,200,000	\$ 3,550,000
Interest Earnings Since Inception	132,932	6,353
Returned to Reserve	23,469	880,189
Use of Reserve Since Inception	<u>(3,769,492)</u>	<u>(3,394,386)</u>
Total General Fund	<u>5,586,909</u>	<u>1,042,156</u>
<b>Capital Projects Fund</b>		
Funding Provided Since Inception	3,769,492	3,394,386
Returned to Reserve	(23,469)	(880,189)
Use of Reserve Since Inception	<u>(3,108,831)</u>	<u>(2,468,807)</u>
Total Capital Projects Fund	<u>637,192</u>	<u>45,390</u>
Balance as of June 30, 2020	<u>\$ 6,224,101</u>	<u>\$ 1,087,546</u>

**20. TAX ABATEMENTS**

The Town of Hempstead, enters into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced \$35,479. The District received payment in lieu of tax (PILOT) payments totaling \$28,714.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**21. COMMITMENTS AND CONTINGENCIES**

**A. Encumbrances**

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2020, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance:	
General Fund	
General support	\$ 213,493
Instruction	105,440
Pupil transportation	<u>6,695</u>
	<u>\$ 325,628</u>

**B. Grants**

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

**C. Litigation**

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits 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.

**D. Operating Leases**

The District leases various equipment under non-cancelable operating leases. Rental expense for the year was \$63,974. The minimum remaining operating lease payments are as follows:

Year Ending June 30,	Amount
2021	<u>\$ 63,974</u>

**22. SUBSEQUENT EVENTS**

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

On March 11, 2020, coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization. COVID-19 is an international, national and New York State public health emergency. As such, the COVID-19 outbreak is disrupting business activity across a range of industries. At this point, the extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the effect on the District's residents, employees and vendors, as well as the state, all of which are uncertain and cannot be predicted.

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For The Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 20,138,495	\$ 20,138,495	\$ 20,157,109	\$ 18,614
Other tax items	2,784,692	2,784,692	2,781,659	(3,033)
Charges for services	80,000	80,000	95,277	15,277
Use of money and property	80,000	80,000	100,643	20,643
Sale of property and compensation for loss			32,650	32,650
Miscellaneous	500,000	639,044	785,127	146,083
<b>Total Local Sources</b>	<b>23,583,187</b>	<b>23,722,231</b>	<b>23,952,465</b>	<b>230,234</b>
State Sources	78,014,051	78,014,051	78,402,813	388,762
Medicaid Reimbursement	50,000	50,000	169,821	119,821
<b>Total Revenues</b>	<b>101,647,238</b>	<b>101,786,282</b>	<b>102,525,099</b>	<b>738,817</b>
<b>OTHER SOURCES</b>				
Operating Transfers In	500,000	500,000	500,000	-
<b>Total Revenues and Other Sources</b>	<b>102,147,238</b>	<b>102,286,282</b>	<b>103,025,099</b>	<b>\$ 738,817</b>
<b>APPROPRIATED FUND BALANCE</b>				
Prior Years' Surplus	1,000,000	1,088,526		
Prior Year's Encumbrances	318,343	318,343		
Appropriated Reserves	900,000	900,000		
<b>Total Appropriated Fund Balance</b>	<b>2,218,343</b>	<b>2,306,869</b>		
<b>Total Revenues, Other Sources and Appropriated Fund Balance</b>	<b>\$ 104,365,581</b>	<b>\$ 104,593,151</b>		

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

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



**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund (Continued)**  
For The Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
<b>EXPENDITURES</b>					
General Support					
Board of education	\$ 157,814	\$ 218,408	\$ 161,910	\$ 1,002	\$ 55,496
Central administration	389,310	742,947	742,834	113	-
Finance	1,006,314	1,030,315	894,276	1,010	135,029
Staff	997,706	997,706	972,336	338	25,032
Central services	6,569,289	6,569,289	5,230,764	211,030	1,127,495
Special items	1,191,496	1,191,496	1,172,319		19,177
Total General Support	<u>10,311,929</u>	<u>10,750,161</u>	<u>9,174,439</u>	<u>213,493</u>	<u>1,362,229</u>
Instruction					
Administration & improvement	2,894,232	3,133,416	3,130,665	2,751	-
Teaching - regular school	28,087,171	27,935,132	27,084,099	49,638	801,395
Programs for students with disabilities	15,175,434	14,971,250	13,709,198	18,927	1,243,125
Occupational education	665,860	665,860	530,027		135,833
Teaching - special schools	451,168	451,168	398,040		53,128
Instructional media	1,677,400	1,677,535	1,453,625	7,432	216,478
Pupil services	5,436,069	5,452,712	4,492,529	26,692	933,491
Total Instruction	<u>54,387,334</u>	<u>54,287,073</u>	<u>50,798,183</u>	<u>105,440</u>	<u>3,383,450</u>
Pupil Transportation	<u>4,782,248</u>	<u>4,773,848</u>	<u>3,572,673</u>	<u>6,695</u>	<u>1,194,480</u>
Employee Benefits	<u>19,827,804</u>	<u>19,725,803</u>	<u>17,756,441</u>		<u>1,969,362</u>
Total Expenditures	<u>89,309,315</u>	<u>89,536,885</u>	<u>81,301,736</u>	<u>325,628</u>	<u>7,909,521</u>
<b>OTHER USES</b>					
Operating Transfers Out	<u>15,056,266</u>	<u>15,056,266</u>	<u>14,987,034</u>		<u>69,232</u>
Total Expenditures and Other Uses	<u>\$ 104,365,581</u>	<u>\$ 104,593,151</u>	<u>96,288,770</u>	<u>\$ 325,628</u>	<u>\$ 7,978,753</u>
Net Change in Fund Balance			6,736,329		
Fund Balance - Beginning of Year			<u>22,235,645</u>		
Fund Balance - End of Year			<u>\$ 28,971,974</u>		

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)**  
 Last Six Fiscal Years

**Teachers' Retirement System**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension asset	0.201253%	0.202150%	0.195033%	0.184431%	0.184535%	0.180262%	~ Information Not Available for These Years ~			
District's proportionate share of the net pension asset/(liability)	\$ 5,228,576	\$ 3,655,405	\$ 1,482,444	\$ (1,975,334)	\$ 19,167,331	\$ 21,068,714				
District's covered payroll	\$ 33,598,107	\$ 32,673,011	\$ 31,338,365	\$ 28,674,538	\$ 28,048,377	\$ 28,324,853				
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.56 %	11.19 %	4.73 %	(6.89)%	68.34 %	74.38 %				
Plan fiduciary net position as a percentage of the total pension asset	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%				
Discount rate	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%				

**Employees' Retirement System**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability	0.0181956%	0.0184392%	0.0197440%	0.0171527%	0.0183240%	0.0192773%	~ Information Not Available for These Years ~			
District's proportionate share of the net pension liability	\$ (4,818,296)	\$ (1,306,474)	\$ (637,226)	\$ (111,704)	\$ (2,940,975)	\$ (651,234)				
District's covered payroll	\$ 6,568,847	\$ 6,627,201	\$ 6,328,056	\$ 6,539,540	\$ 5,424,274	\$ 5,597,986				
District's proportionate share of the net pension liability as a percentage of its covered payroll	73.35 %	19.71 %	10.07 %	1.71 %	54.22 %	11.63 %				
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	90.68%	90.68%	97.95%				
Discount rate	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%				

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of District Pension Contributions**  
 Last Ten Fiscal Years

*Teachers' Retirement System*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 2,985,269	\$ 3,568,183	\$ 3,223,285	\$ 3,614,219	\$ 3,757,103	\$ 4,869,086	\$ 4,547,821	\$ 3,224,350	\$ 3,122,527	\$ 2,490,100
Contributions in relation to the contractually required contribution	2,985,269	3,568,183	3,223,285	3,614,219	3,757,103	4,869,086	4,547,821	3,224,350	3,122,527	2,490,100
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 33,683,243	\$ 33,598,107	\$ 32,673,011	\$ 31,338,365	\$ 28,674,538	\$ 28,048,377	\$ 28,324,853	\$ 28,426,643	\$ 28,534,364	\$ 29,664,501
Contributions as a percentage of covered payroll	9%	11%	10%	12%	13%	17%	16%	11%	11%	8%

*Employees' Retirement System*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 919,177	\$ 916,067	\$ 963,255	\$ 834,166	\$ 854,924	\$ 1,054,580	\$ 873,008	\$ 1,073,801	\$ 914,447	\$ 653,861
Contributions in relation to the contractually required contribution	919,177	916,067	963,255	834,166	854,924	1,054,580	873,008	1,073,801	914,447	653,861
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,328,924	\$ 6,697,559	\$ 6,421,094	\$ 6,717,841	\$ 5,605,257	\$ 5,490,741	\$ 5,576,737	\$ 5,493,241	\$ 5,631,526	\$ 5,914,467
Contributions as a percentage of covered payroll	15%	14%	15%	12%	15%	19%	16%	20%	16%	11%

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
Last Three Fiscal Years

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 6,722,885	\$ 3,767,401	\$ 3,911,496
Interest	4,456,382	4,138,949	3,691,356
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(17,958,925)	(6,917,075)	-
Changes of assumptions or other inputs	28,720,391	18,520,920	(5,211,423)
Benefit payments	<u>(2,477,343)</u>	<u>(2,426,626)</u>	<u>(2,235,913)</u>
Net change in total OPEB liability	19,463,390	17,083,569	155,516
Total OPEB liability, beginning	<u>121,467,552</u>	<u>104,383,983</u>	<u>104,228,467</u>
Total OPEB liability, ending	<u>\$ 140,930,942</u>	<u>\$ 121,467,552</u>	<u>\$ 104,383,983</u>
Covered employee payroll	\$ 38,600,897	\$ 38,367,037	\$ 38,459,414
Total OPEB liability as a percentage of covered employee payroll	365.10%	316.59%	271.41%
Discount rate	2.21%	3.51%	3.87%
Healthcare trend rates	5.30% to 3.84% by 2075	5.40% to 3.84% by 2079	5.50% to 3.84% by 2078

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

**Note to Required Supplementary Information**

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

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedules of Change from Adopted Budget to Final Budget**  
**and the Real Property Tax Limit - General Fund**  
For The Year Ended June 30, 2020

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 104,047,238
Additions:		
Prior year's encumbrances		318,343
Original Budget		104,365,581
Budget revisions		227,570
Final Budget		\$ 104,593,151

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-2021 voter-approved expenditure budget		\$ 106,869,229
Maximum allowed (4% of 2020-2021 budget)		\$ 4,274,769
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	\$ 1,954,212	
Unassigned fund balance	8,024,845	
		\$ 9,979,057
Less:		
Appropriated fund balance	1,600,000	
Encumbrances	325,628	
Total adjustments		1,925,628
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		\$ 8,053,429
Actual Percentage		7.54%

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of Project Expenditures and Financing Resources - Capital Projects Fund**  
For The Year Ended June 30, 2020

PROJECT TITLE	Budget June 30, 2019	Budget June 30, 2020	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2020
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
<b>General Fund Appropriations</b>											
Ulysses Byes Portables	\$ 1,342,490	\$ 1,342,490	\$ 1,342,490	\$	\$ 1,342,490	\$ -	\$	\$	\$ 1,258,189	\$ 1,258,189	\$ (84,301)
Approved Emergency Project	1,915,699	1,915,699	1,710,864		1,710,864	204,835			2,000,000	2,000,000	289,136
<b>Capital Reserve Projects</b>											
District-wide Improvements	67,836	67,836	67,836		67,836	-			67,836	67,836	-
Roosevelt High School	321,681	373,681	321,453	51,797	373,250	431			373,681	373,681	431
Washington Rose - New	323,790	310,790	264,975	17,660	282,635	28,155			310,790	310,790	28,155
Middle School - New	325,967	312,967	277,904	21,105	299,009	13,958			312,967	312,967	13,958
Centennial - New	165,387	152,387	125,990	11,488	137,478	14,909			152,387	152,387	14,909
Ulysses Byes - New	295,339	282,339	244,217	4,254	248,471	33,868			282,339	282,339	33,868
<b>Capital Reserve Projects</b>											
Technology - School Connectivity	911,822	911,822	868,341		868,341	43,481			911,822	911,822	43,481
<b>Capital Reserve Projects</b>											
District-wide Improvements	345,250	345,250	273,723	4,126	277,849	67,401			345,250	345,250	67,401
Roosevelt High School - Turf	1,000,000	1,000,000	1,000,000		1,000,000	-			1,000,000	1,000,000	-
<b>Capital Reserve Projects</b>											
District-wide Technology	1,139,896	1,139,896	504,277	633,710	1,137,987	1,909			1,139,896	1,139,896	1,909
District-wide Improvements	600,000	600,000	89,715	31,816	121,531	478,469			600,000	600,000	478,469
<b>Bond Projects</b>											
Centennial Phase I	22,785,481	22,785,481	22,785,481		22,785,481	-			22,785,481	22,785,481	-
Ulysses Byes - New	30,731,001	30,731,001	30,731,001		30,731,001	-			30,731,001	30,731,001	-
Washington Rose - New	29,111,393	29,111,393	29,111,393		29,111,393	-			29,111,393	29,111,393	-
Middle School - New	70,972,549	70,972,549	70,972,549		70,972,549	-			34,397,549	70,972,549	-
Roosevelt High School - New	10,097,394	10,097,394	10,097,394		10,097,394	-			9,171,867	10,097,394	-
Centennial Phase II	11,071,277	11,071,277	11,071,277		11,071,277	-			11,071,277	11,071,277	-
Roosevelt High School - 2010	68,827,079	68,827,079	66,801,482		66,801,482	2,025,597			61,876,430	68,827,079	2,025,597
Totals	\$ 252,351,331	\$ 252,351,331	\$ 248,662,362	\$ 775,956	\$ 249,438,318	\$ 2,913,013	\$ 199,144,998	\$ 34,977,238	\$ 18,229,095	\$ 252,351,331	\$ 2,913,013

**ROOSEVELT UNION FREE SCHOOL DISTRICT**  
**Schedule of Net Investment in Capital Assets**  
June 30, 2020

Capital assets, net	<u>\$ 202,812,903</u>
Deduct:	
Short-term portion of bonds payable	(9,350,000)
Long-term portion of bonds payable	(116,525,000)
Short-term portion of bond premium used for capital asset additions	(857,807)
Long-term portion of bond premium used for capital asset additions	(5,056,052)
Less:	
Unspent bond proceeds	<u>2,025,597</u>
	<u>(129,763,262)</u>
Net investment in capital assets	<u>\$ 73,049,641</u>