

GREENVILLE CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Reports as of
June 30, 2021
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

September 15, 2021

The Board of Education of
Greenville Central 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 Greenville Central School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 16, during 2021 the School District adopted Governmental Accounting Standards Board Statement 84 – *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability and related ratios 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 School District's basic financial statements. The supplemental information as required by the New York State Education Department and the combining nonmajor fund financial statements, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The supplemental information included has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

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

GREENVILLE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021

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

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District is \$(25,907,887).
- Government-wide net position was \$1,533,364 less than at July 1, 2020.
- The increase in the total OPEB (Other Post-Employment Benefits) liability in this fiscal year was \$7,251,015.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are School District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the operation in more detail than the entity-wide statements.
- The governmental fund statements tell how basic services such as instruction and support functions were financed in the short-term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others, including the employees of the School District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A – 1: Organization of the School District's Annual Financial Report

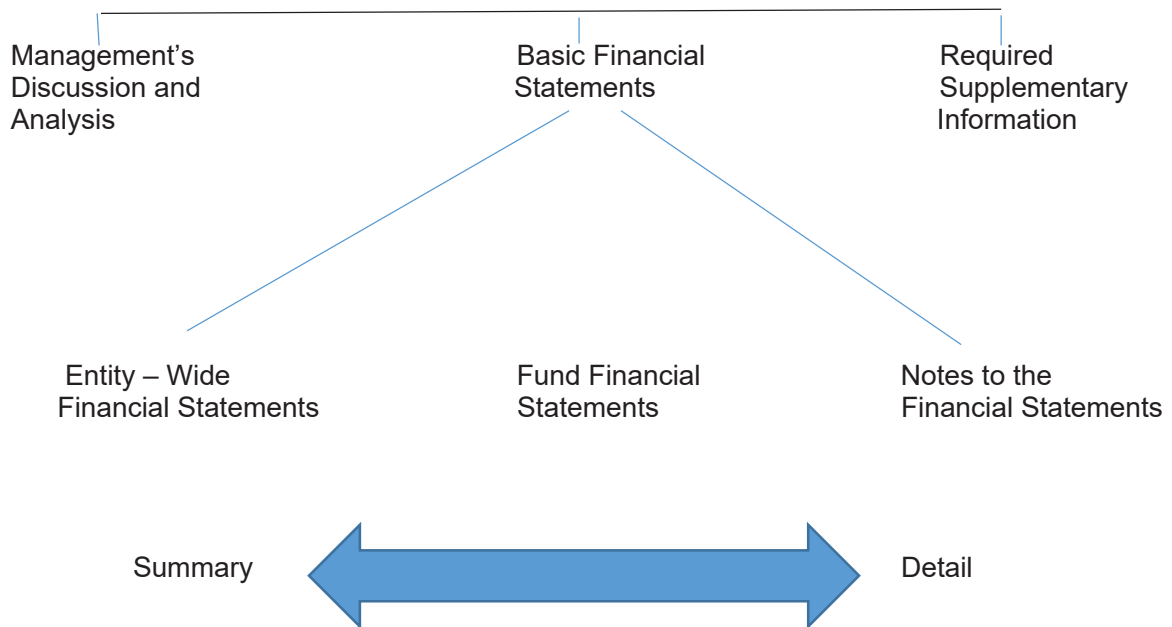


Table A – 2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-2 Major Features of the School District-Wide and Fund Financial Statements

		Fund Financial Statements	
	School District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances. 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset & deferred outflow/liability & deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

School District-Wide Statements

The School District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School District-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements (Continued)

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

School District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net position invested in capital assets.
 - Restricted net position are those with constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is a net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has two types of funds:

- *Governmental Funds:* Most of the School District's basic services are accounted for in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital projects fund, and the debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- *Fiduciary Funds:* The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the School District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2021 are detailed in Tables A-3 and A-4.

Table A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Percent <u>Change</u>
Current and other assets	\$ 10,754	\$ 8,562	25.6%
Non current assets	<u>33,486</u>	<u>36,716</u>	<u>-8.8%</u>
Total assets	<u>44,240</u>	<u>45,278</u>	<u>-2.3%</u>
Deferred outflows of resources	<u>18,199</u>	<u>13,769</u>	<u>32.2%</u>
Current liabilities	4,468	3,456	29.3%
Long-term liabilities	<u>67,571</u>	<u>63,398</u>	<u>6.6%</u>
Total liabilities	<u>72,039</u>	<u>66,854</u>	<u>7.8%</u>
Deferred inflows of resources	<u>16,307</u>	<u>16,687</u>	<u>-2.3%</u>
Net position:			
Investment in capital assets	17,397	17,043	2.1%
Restricted	4,302	2,935	46.6%
Unrestricted	<u>(47,606)</u>	<u>(44,472)</u>	<u>7.0%</u>
Total net position	<u>\$ (25,907)</u>	<u>\$ (24,494)</u>	<u>5.8%</u>

During 2021, the School District's net position decreased by \$ 1,533,364. (See Table A-3).

Deferred outflows of resources pertain to payments after measurement date for pension and OPEB as well as actuarial assumption changes.

The increase in liabilities can be attributed primarily to the annual Other Post Employment Benefit accrual and GASB 68 related liabilities of Net Pension Liability.

Deferred Inflows of Resources relate primarily to the GASB 68 deferred activity which is detailed in the accompanying notes.

Changes in Net Position

The School District's fiscal year 2021 revenue totaled \$33,381,725 (see Table A-4). Property taxes and state aid accounted for most of the School District's revenue by contributing 47% and 39% respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, (intermunicipal agreements), tuition for foster students, interest earnings, federal sources, Medicaid reimbursement, and other miscellaneous sources.

The total cost of all programs and services totaled \$34,915,089 in 2021. 83% of this amount is used to support general instruction, the provision of services to students with disabilities, and student transportation (see Table A-6). The School District's Board of Education, administrative, and business activities accounted for 17% of total costs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position (Continued)

Table A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Percent <u>Change</u>
<u>Revenue</u>			
Charges for services	\$ 808	\$ 748	8.0%
Operating grants	1,360	1,227	10.8%
General revenue:			
Real property taxes and other tax items	17,255	17,077	1.0%
Use of money and property	22	134	-83.6%
Sale of property/compensation for loss	1	-	100.0%
Federal sources	296	-	100.0%
State sources	13,048	12,747	2.4%
Food sales and surplus	35	159	-78.0%
Other	557	586	-4.9%
	<hr/>	<hr/>	
Total revenue	33,382	32,678	2.2%
	<hr/>	<hr/>	
<u>Expenses</u>			
General support	5,029	5,876	-14.4%
Instruction	26,601	24,338	9.3%
Pupil transportation	2,450	2,353	4.1%
Debt service	356	400	-11.0%
School lunch program	480	496	-3.2%
	<hr/>	<hr/>	
Total expenses	34,916	33,463	4.3%
	<hr/>	<hr/>	
Decrease in net position	\$ (1,534)	\$ (785)	95.4%

Significant changes in revenue from 2019/2020 to 2020/2021 school year include:

- Increase in real property taxes and other tax items of approximately \$178 thousand
- Increase in tuition from other School Districts of approximately \$71 thousand
- Increase in total state aid of approximately \$211 thousand (\$21,000 for the 20/21 school year and \$190 thousand for the 19/20 school year)
- Increase in school lunch state and federal aid of approximately \$149 thousand
- Increase in Intra-Fund Transfers from Capital to General approximately \$59 thousand
- Decrease in school lunch non reimbursable meals \$124 thousand
- Decrease in interest from savings approximately \$103 thousand

Significant changes in expenditures from 2019/2020 to 2020/2021 school year include:

- Contractual salary increases and related payroll expenses (i.e., Social Security)
- Increase in special education tuition and transportation

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-5 Sources of Revenue for Fiscal Year 2021:

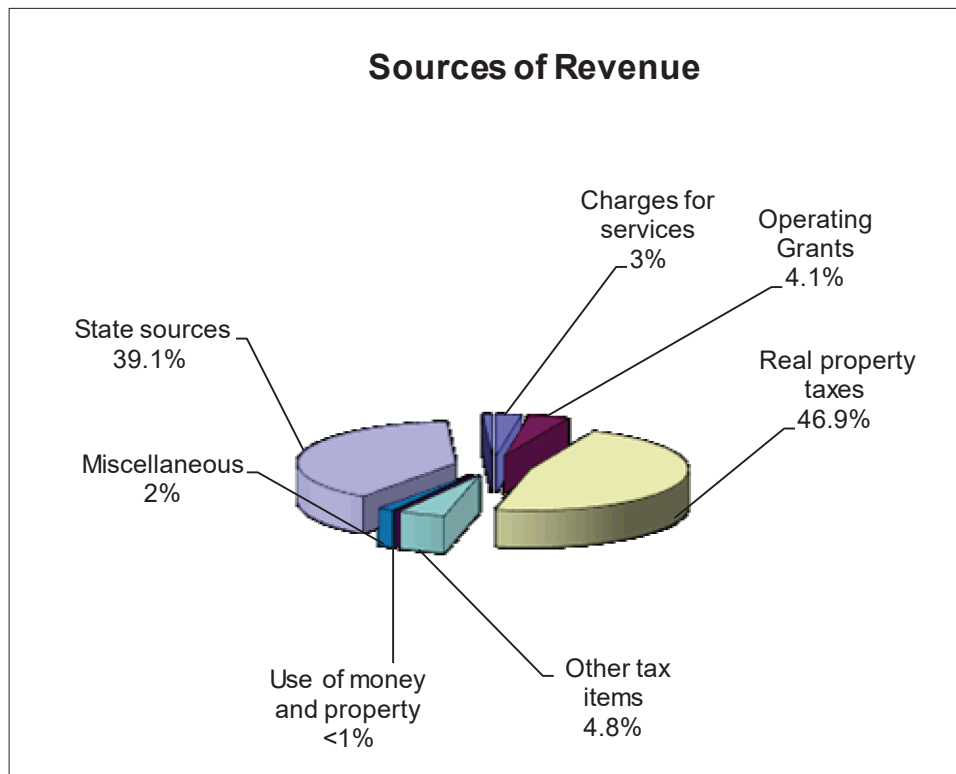
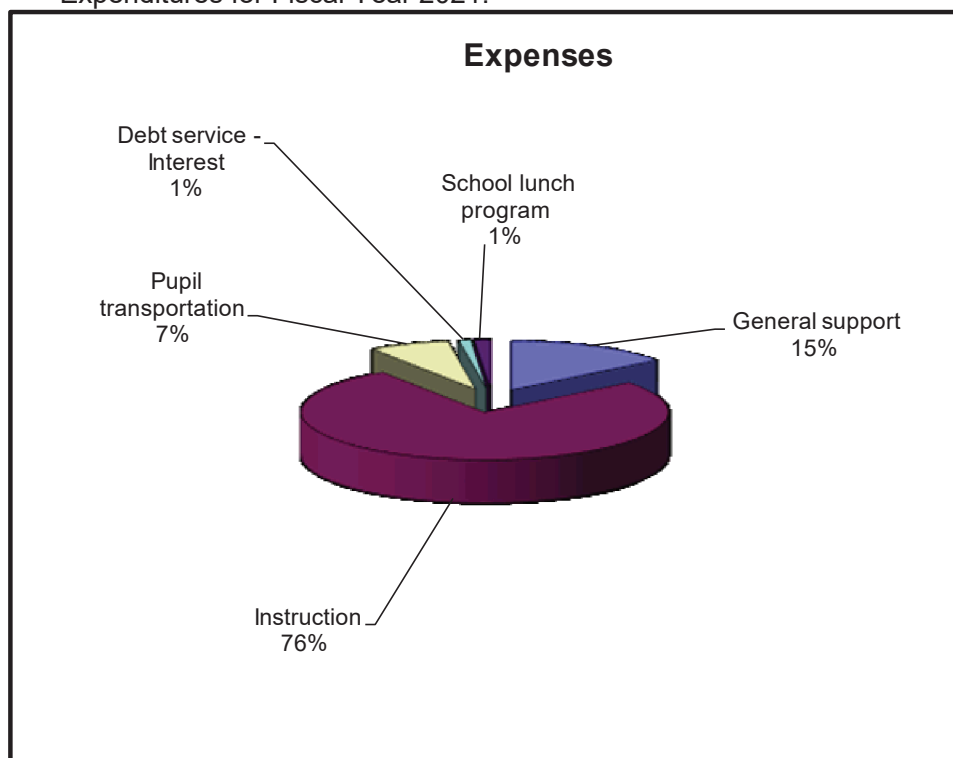


Table A-6 Expenditures for Fiscal Year 2021:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled \$33,381,725 or 2.2% more than the previous fiscal year. Total expenses equaled \$34,915,089 or 4.3% more than the previous fiscal year. The net result of the change in the School District's financial condition can be credited to:

- Net changes to revenues and expenditures as detailed in the financial highlights, resulted in a decrease to fund balance.

Table A-7 presents the cost of five major School District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities

<u>Category</u>	<u>2021</u>		<u>2020</u>	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
General support	\$ 5,029	\$ 5,029	\$ 5,876	\$ 5,876
Instruction	26,601	24,797	24,338	22,578
Pupil transportation	2,450	2,450	2,353	2,353
Debt service	356	356	400	400
School lunch	480	80	496	122
Total	<u>\$ 34,916</u>	<u>\$ 32,712</u>	<u>\$ 33,463</u>	<u>\$ 31,329</u>

- The total cost of all governmental activities this year was \$34,915,089.
- The users of the School District's programs financed \$843,152 of the cost.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$1,360,232.
- Most of the School District's net costs, \$32,711,705 , were financed by taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

General Fund – The School District continues to comply with the restrictions of the NYS property tax cap. Real Property Tax Law §1318 limits the amount of unexpended surplus funds a School District can retain to no more than 4% of the next years' budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education law of GML) are excluded from the 4 % limitation.

- The School Districts unassigned fund balance: At 4.31% - \$1,282,815 (June 30, 2020) to \$1,417,820 (June 30, 2021). The fiscal importance of a favorable fund balance at the end of the year has a major impact on both the computation of the tax levy, meeting emergencies, bond rating and cash flow.
- This funding source should not be used for expenditures that cannot be sustained. The funding is projected to be needed to support the budgets in the coming years.

Fund Balance – Restricted (June 30, 2021 Balances)

The School District had the following restricted fund balance reserves at year end:

Workers Compensation Reserve	\$ 81,104
Reserve for Employee Benefits and Accrued Liabilities	192,720
Reserve for Retirement Contributions	1,149,994
Unemployment Reserve	238,187
Debt Service Reserve	380,854
Other	128,565
Capital Reserve	<u>2,130,163</u>
Total	<u>\$ 4,301,587</u>

Special Aid Fund – During this period (2019/2020 to 2020/2021), State and Federal Aid reported in the Special Aid Fund showed a slight decrease of \$40,087. Most of the School District's state and federal grant allocations increased from the previous year. The Federal grants (Title I, IDEA etc.) help to offset the cost of salary and benefits.

School Lunch Fund –

The School Lunch fund began the year with a positive fund balance of \$44,082. Food service ended with a net loss of \$28,278. The year-end fund balance is \$15,804. The School District has not budgeted a subsidy to the School Lunch fund since the 2017/2018 school year and has been self-sufficient with the assistance of federal and state funding. The loss of \$28,278 was directly related to the pandemic and providing meals during the school closure. The staffing and food costs were greater than the revenue for the meals.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Capital Projects Fund -

The School District reduced its annual budget line item from \$123,000 to \$95,000 for annual capital improvements (2020/2021 budget). For the 2021/2022 school year, this line item has been increased to \$190,000. The 2021/2022 budgeted capital project includes small classroom renovations at the elementary school.

Adherence to long-range financial plans is considered a reflection of good forecasting and planning. The School District's most significant asset/investment in our mission to educate students is our buildings; with the buildings comes the responsibility to monitor, maintain and make repairs to the buildings. Neglecting critical capital needs may impede economic growth and endanger future tax revenues. Although some capital projects are discretionary and can be deferred in difficult economic periods, the failure to maintain existing facilities can create a backlog of projects.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 18,090,260	\$ 18,090,260	\$ 15,660,378	\$ -	\$ (2,429,882)
Other tax items	104,860	104,860	1,594,498	-	1,489,638
Charges for services	277,700	277,700	808,395	-	530,695
Use of money and property	31,000	31,000	22,202	-	(8,798)
Sale of property and compensation for loss	-	-	670	-	670
Miscellaneous	<u>386,155</u>	<u>386,155</u>	<u>460,379</u>	<u>-</u>	<u>74,224</u>
Total local sources	18,889,975	18,889,975	18,546,522	-	(343,453)
State sources	13,363,040	13,363,040	13,223,460	-	(139,580)
Federal sources	-	-	295,504	-	295,504
Medicaid reimbursement	<u>-</u>	<u>-</u>	<u>7,203</u>	<u>-</u>	<u>7,203</u>
Total revenue	32,253,015	32,253,015	32,072,689	-	(180,326)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>59,472</u>	<u>-</u>	<u>59,472</u>
Total revenue and other financing sources	<u>32,253,015</u>	<u>32,253,015</u>	<u>32,132,161</u>	<u>-</u>	<u>(120,854)</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 28,910	\$ 29,580	\$ 24,251	\$ 1,321	\$ 4,008
Central administration	236,832	238,968	236,271	186	2,511
Finance	349,261	351,949	333,165	505	18,279
Staff	272,559	272,501	248,023	-	24,478
Central services	2,054,723	3,419,922	2,452,617	772,218	195,087
Special items	<u>461,653</u>	<u>470,612</u>	<u>456,150</u>	<u>-</u>	<u>14,462</u>
Total general support	3,403,938	4,783,532	3,750,477	774,230	258,825
INSTRUCTION:					
Instruction, administration, and improvement	960,205	999,812	914,392	46,847	38,573
Teaching - Regular school	8,149,821	8,173,041	7,754,549	339,865	78,627
Programs for children with handicapping cond	4,272,356	4,267,291	4,165,778	20,848	80,665
Occupational education	610,718	643,174	642,454	-	720
Teaching - Special school	63,456	63,456	53,550	-	9,906
Instructional media	887,517	1,071,882	1,009,679	33,158	29,045
Pupil services	<u>1,704,581</u>	<u>1,782,912</u>	<u>1,564,591</u>	<u>106,158</u>	<u>112,163</u>
Total instruction	16,648,654	17,001,568	16,104,993	546,876	349,699
Pupil transportation	1,822,269	1,867,107	1,613,536	205,410	48,161
Employee benefits	7,970,633	7,758,356	6,826,926	-	931,430
Debt service - Principal	1,790,000	1,790,000	1,790,000	-	-
Debt service - Interest	<u>457,521</u>	<u>457,521</u>	<u>457,518</u>	<u>-</u>	<u>3</u>
Total expenditures	32,093,015	33,658,084	30,543,450	1,526,516	1,588,118
OTHER FINANCING USES					
Transfers to other funds	<u>160,000</u>	<u>160,000</u>	<u>132,024</u>	<u>-</u>	<u>27,976</u>
Total expenditures and other uses	<u>32,253,015</u>	<u>33,818,084</u>	<u>30,675,474</u>	<u>1,526,516</u>	<u>1,616,094</u>
NET CHANGE IN FUND BALANCE	-	(1,565,069)	1,456,687	(1,526,516)	1,495,240
FUND BALANCE - beginning of year	<u>5,971,719</u>	<u>5,971,719</u>	<u>5,971,719</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 5,971,719</u>	<u>\$ 4,406,650</u>	<u>\$ 7,428,406</u>	<u>\$ (1,526,516)</u>	<u>\$ 1,495,240</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

Revenue Variances

- Charges for Services (revenues) were \$530,695 more than budgeted due to an increase in Day School Tuition. (Inter-municipal agreements with other School Districts).
- Miscellaneous revenues were \$74,224 more than budgeted due to additional revenues received from health insurance and prescription drug refunds.
- Total State aid was under budgeted in the amount of \$139,580. The School District had an increase in state aid due to the state releasing the 19/20 state aid payment by \$190,813. The School District had a decrease in Excess Aid of \$44,014 due to the state not allowing special education costs for the months that the school were closed in 19/20 and a decrease for the Pandemic Adjustment (CARES ACT) \$286,379.
- Total Federal aid was increased by \$286,379 (CARES ACT) and the School District received FEMA aid in the amount of \$9,125, a reimbursement of COVID related supplies.

Expenditure Variances

- General expenditures and year-end encumbrances were \$1,616,094 less than what was budgeted.

At the time these financial statements were prepared and audited, the School District continues to be aware of the following existing circumstances that could affect its future financial health (both positive and negative):

- The School District's long-term budget goal is to reduce the reliance of Appropriated Fund balance in future years. Due to the pandemic, the School District will be tracking their expenditures and revenues to keep the long-term goal possible.
- The cost of Health Insurance continues to increase even though the rates of the RCG Health Insurance Trust have remained relatively stable over the last few years due to changes in the School District's prescription drug provider and moving from the PPO 812 to the PPO 815 plan as their base plan.
- Post-retirement (Health Care) costs will continue to increase.
- For the 2021/2022 school year, four solar PILOTs will impact the tax cap calculation as the amount of taxes received from taxpayers will be reduced by the revenue received from the solar PILOTs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Capital Assets

By the end of 2021, the School District had an investment of \$33,485,606 in a broad range of capital assets.

Table A-8: Capital Assets (net of accumulated depreciation)

<u>Category</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Percent Change</u>
Land	\$ 157	\$ 157	0.0%
Construction in progress	-	9,492	-100.0%
Buildings and land improvements	31,042	22,719	36.6%
Furniture and equipment	964	965	-0.1%
Vehicles	1,323	1,687	-21.6%
Total	<u>\$ 33,486</u>	<u>\$ 35,020</u>	<u>-4.4%</u>

Long-Term Liabilities

At year-end, the School District had \$67,571,261 of long-term liabilities outstanding. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

Table A-9: Outstanding Long-Term Liabilities

<u>Category</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
General obligation bonds	\$ 14,030	\$ 15,795
Other post employment benefits	51,174	43,923
Other long-term liabilities	<u>2,367</u>	<u>3,680</u>
Total	<u>\$ 67,571</u>	<u>\$ 63,398</u>

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Tammy J. Sutherland
Superintendent of Schools
Greenville Central School District Office
PO Box 129
Greenville, NY 12083
Email: sutherlandt@greenvillecsd.org

GREENVILLE CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2021****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES****CURRENT ASSETS:**

Cash - Unrestricted	\$ 4,819,342
Cash - Restricted	4,262,829
State and federal aid receivable	1,496,580
Accounts receivable	163,227
Inventory	12,050
Total current assets	<u>10,754,028</u>

NON CURRENT ASSETS:

Capital assets, net	<u>33,485,606</u>
Total non current assets	<u>33,485,606</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources - pensions	8,806,978
Deferred outflows of resources - other post-employment benefits payable	<u>9,392,008</u>
Total deferred outflows of resources	<u>18,198,986</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>62,438,620</u>
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LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**CURRENT LIABILITIES:**

Accounts payable and accrued liabilities	1,165,916
Accrued interest	32,325
Due to other governments	91,678
Due to Teachers' Retirement System	1,157,917
Due to Employees' Retirement System	196,439
Other liabilities	24,594
Unearned revenue	33,885
Current portion of long-term debt	<u>1,765,000</u>
Total current liabilities	<u>4,467,754</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	14,030,000
Unamortized bonds premium - net of bonds payable	294,067
Net pension liability	1,831,919
Total other post-employment benefits	51,174,070
Compensated absences payable	<u>241,205</u>
Total long-term liabilities	<u>67,571,261</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources - pensions	4,196,005
Deferred inflows of resources - Other post-employment benefits payable	<u>12,111,487</u>
Total deferred inflows of resources	<u>16,307,492</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>88,346,507</u>
--	--------------------------

NET POSITION

Net investment in capital assets	17,396,539
Restricted	4,301,587
Unrestricted	<u>(47,606,013)</u>
TOTAL NET POSITION	<u>\$ (25,907,887)</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

		<u>Program Revenue</u>		Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	\$ 5,028,828	\$ -	\$ -	\$ (5,028,828)
Instruction	26,600,979	808,395	995,678	(24,796,906)
Pupil transportation	2,449,587	-	-	(2,449,587)
Debt service - Interest	355,931	-	-	(355,931)
School lunch program	<u>479,764</u>	<u>34,757</u>	<u>364,554</u>	<u>(80,453)</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 34,915,089</u>	<u>\$ 843,152</u>	<u>\$ 1,360,232</u>	<u>(32,711,705)</u>
GENERAL REVENUE:				
Real property taxes				15,660,378
Other tax Items				1,594,498
Use of money and property				22,204
Sale of property and compensation for loss				670
Miscellaneous				549,833
Medicaid reimbursement				7,203
Federal sources				295,504
State sources				<u>13,048,051</u>
TOTAL GENERAL REVENUE				<u>31,178,341</u>
CHANGE IN NET POSITION				<u>(1,533,364)</u>
NET POSITION - beginning of year, as previously reported				(24,494,304)
RESTATEMENT (Note 16)				<u>119,781</u>
NET POSITION - beginning of year, as restated				<u>(24,374,523)</u>
NET POSITION - end of year				<u>\$ (25,907,887)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO GOVERNMENT-WIDE FINANCIAL POSITION
JUNE 30, 2021**

	Governmental Fund Types			
	General	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash - Unrestricted	\$ 4,812,196	\$ 342,096	\$ 7,146	\$ 5,161,438
Cash - Restricted	3,662,198	129,970	128,565	3,920,733
Accounts receivable	163,039	-	188	163,227
Due from other funds	191,055	38,758	380,854	610,667
State and federal aid receivable	1,227,444	-	269,136	1,496,580
Inventory	-	-	12,050	12,050
TOTAL ASSETS	\$ 10,055,932	\$ 510,824	\$ 797,939	\$ 11,364,695
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,157,176	\$ -	\$ 8,740	\$ 1,165,916
Due to other funds	-	380,854	229,813	610,667
Due to other governments	91,400	-	278	91,678
Due to Teachers' Retirement System	1,157,917	-	-	1,157,917
Due to Employees' Retirement System	196,439	-	-	196,439
Other liabilities	24,594	-	-	24,594
Unearned revenue	-	-	33,885	33,885
TOTAL LIABILITIES	2,627,526	380,854	272,716	3,281,096
FUND BALANCE				
Nonspendable				
Inventory	-	-	12,050	12,050
Restricted				
Workers compensation	81,104	-	-	81,104
Employee benefit liability	192,720	-	-	192,720
Retirement	1,149,994	-	-	1,149,994
Unemployment	238,187	-	-	238,187
Debt service	-	-	380,854	380,854
Other	-	-	128,565	128,565
Capital	2,000,193	129,970	-	2,130,163
Total restricted fund balance	3,662,198	129,970	509,419	4,301,587
Assigned				
Other	1,526,516	-	68,523	1,595,039
Appropriated for subsequent years expenditures	821,872	-	-	821,872
Total assigned fund balance	2,348,388	-	68,523	2,416,911
Unassigned	1,417,820	-	(64,769)	1,353,051
TOTAL FUND BALANCE	7,428,406	129,970	525,223	8,083,599
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,055,932	\$ 510,824	\$ 797,939	\$ 11,364,695

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balances per above.	\$ 8,083,599
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,485,606
GASB 68 related government wide activity	
Deferred outflows or resources	8,806,978
Net pension liability	(1,831,919)
Deferred inflows of resources	(4,196,005)
GASB 75 related government wide activity	
Deferred outflows or resources	9,392,008
Deferred inflows of resources	(12,111,487)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(16,330,272)
Total other post-employment benefits liability	(51,174,070)
Interest payable at end of year, in the government-wide statements under full accrual accounting.	(32,325)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (25,907,887)

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Fund Types			Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	
REVENUE:				
Real property taxes	\$ 15,660,378	\$ -	\$ -	\$ 15,660,378
Other tax items	1,594,498	-	-	1,594,498
Charges for services	808,395	-	-	808,395
Use of money and property	22,202	-	2	22,204
Sale of property and compensation for loss	670	-	-	670
Miscellaneous	460,379	-	89,454	549,833
State sources	13,223,460	-	279,168	13,502,628
Federal sources	295,504	-	1,081,064	1,376,568
Medicaid reimbursement	7,203	-	-	7,203
Sales - School lunch	-	-	34,757	34,757
	<u>-</u>	<u>-</u>	<u>34,757</u>	<u>34,757</u>
Total revenue	<u>32,072,689</u>	<u>-</u>	<u>1,484,445</u>	<u>33,557,134</u>
EXPENDITURES:				
General support	3,750,477	-	-	3,750,477
Instruction	16,104,993	-	1,014,197	17,119,190
Pupil transportation	1,613,536	-	18,505	1,632,041
Employee benefits	6,826,926	-	90,031	6,916,957
Debt service - Principal	1,790,000	-	-	1,790,000
Debt service - Interest	457,518	-	-	457,518
Other	-	-	79,778	79,778
Cost of sales	-	-	338,452	338,452
Capital outlay	-	264,754	-	264,754
	<u>-</u>	<u>264,754</u>	<u>-</u>	<u>264,754</u>
Total expenditures	<u>30,543,450</u>	<u>264,754</u>	<u>1,540,963</u>	<u>32,349,167</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,529,239</u>	<u>(264,754)</u>	<u>(56,518)</u>	<u>1,207,967</u>
OTHER SOURCES AND (USES):				
Operating transfers in	59,472	95,000	37,024	191,496
Operating transfers (out)	(132,024)	(59,472)	-	(191,496)
	<u>(72,552)</u>	<u>35,528</u>	<u>37,024</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>1,456,687</u>	<u>(229,226)</u>	<u>(19,494)</u>	<u>1,207,967</u>
FUND BALANCE - beginning of year, as previously reported	5,971,719	359,196	424,936	6,755,851
RESTATEMENT (Note 16)	-	-	119,781	119,781
FUND BALANCE - beginning of year, as restated	<u>5,971,719</u>	<u>359,196</u>	<u>544,717</u>	<u>6,875,632</u>
FUND BALANCE - end of year	<u>\$ 7,428,406</u>	<u>\$ 129,970</u>	<u>\$ 525,223</u>	<u>\$ 8,083,599</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balance - Total governmental funds	\$ 1,207,967
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position, net of disposals	611,261
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities, net of gain on sale	(2,145,468)
Pension expense resulting from GASB 68 reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	(1,150,179)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,790,000
Certain revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.	(175,409)
Government funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	98,023
Accrued interest expense does not require the expenditure of current resources and is, but are recorded as payments of liabilities in the statement of net position.	3,564
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	998
Accrued post-employment benefits do not require the expenditure of current resources and are, therefore not reported as expenditures in the governmental funds.	<u>(1,774,121)</u>
Change in net position - Governmental activities	<u>\$ (1,533,364)</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS JUNE 30, 2021

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>	<u>Total</u>
ASSETS:			
Cash - restricted	\$ <u>8,297</u>	\$ <u>-</u>	\$ <u>8,297</u>
LIABILITIES:			
Other liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
NET POSITION:			
Restricted for individuals	\$ <u>8,297</u>	\$ <u>-</u>	\$ <u>8,297</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>	<u>Total</u>
ADDITIONS:			
Gifts and donations	\$ 500	\$ -	\$ 500
Interest	4	-	4
Tax collections for other governments	-	70,342	70,342
Total additions	<u>504</u>	<u>70,342</u>	<u>70,846</u>
DEDUCTIONS:			
Scholarships and other private purposes	775	-	775
Payments of tax to other governments	-	70,342	70,342
Total deductions	<u>775</u>	<u>70,342</u>	<u>71,117</u>
NET DECREASE	(271)	-	(271)
NET POSITION - beginning of year	<u>8,568</u>	<u>-</u>	<u>8,568</u>
NET POSITION - end of year	<u>\$ 8,297</u>	<u>\$ -</u>	<u>\$ 8,297</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

1. NATURE OF OPERATIONS

Greenville Central School District provides K-12 public education to students living within its geographic borders.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

Greenville Central School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as Chief Fiscal Officer and the Superintendent is the Chief Executive Officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 is a brief description of a certain entity included in the School District's reporting entity.

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in an agency fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District in Questar III Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

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

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

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

Basis of Presentation

School District-Wide Statements

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

The statement of activities presents a comparison between direct expenses and program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

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

The School District reports the following major governmental funds:

- *General Fund* - This is the School District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- *Capital Projects Funds* - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

- *Special Aid Fund* - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.
- *School Lunch Fund* - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources to be used for the redemption of principal and interest on long term debt.
- *Miscellaneous Special Revenue Fund* – This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds are included in this fund.

The School District reports the following fiduciary fund:

- *Fiduciary Fund* - This fund is used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the School District-wide financial statements, because their resources do not belong to the School District and are not available to be used. There are two types of fiduciary funds:

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 School District or representatives of the donors may serve on committees to determine who benefits.

Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various groups.

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 and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The School District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

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

Cash

The School District's cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the School District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

Restricted Cash

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

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

Accounts Receivable

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

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

Interfund Transactions

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

In the School 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 may be netted on the accompanying governmental funds balance sheet when it is the School District's practice to settle these amounts at a net balance based upon the right of legal offset.

Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the School District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	SL	15-50 years
Furniture and equipment	\$ 5,000	SL	5-25 years
Infrastructure	\$ 5,000	SL	65 years

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with generally accepted accounting principles, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Post-Employment Benefits

In addition to providing the pension benefits described, the School District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid.

Encumbrances

Encumbrance accounting is used for budgetary 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 reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

All encumbrances are classified as either restricted or assigned fund balance in the General Fund, or as restricted fund balance in the other governmental funds.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Unearned revenue is reported when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School 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.

Equity Classifications

School District-Wide Statements

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

Net Investment in capital assets – consists of net capital assets (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

Fund Balance – Reservations and Designations

In the fund basis statements, there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances.

Capital

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. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

Repair

Repair 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. This reserve is accounted for in the general fund under restricted fund balance.

Workers' Compensation

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 under restricted fund balance.

Unemployment Insurance

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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance.

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the general fund under restricted fund balance.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

Insurance

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

Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari

Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to 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 under restricted fund balance.

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the general fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

Restricted fund balance includes the following:

Workers Compensation	\$ 81,104
Employee Benefits	192,720
Retirement	1,149,994
Unemployment	238,187
Debt service	380,854
Other	128,565
Capital	<u>2,130,163</u>

Total restricted net position \$ 4,301,587

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

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$1,526,516. As of June 30, 2021, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	\$ 774,230
Instruction	546,876
Pupil Transportation	205,410
Employee Benefits	<u>-</u>

Total encumbrances \$ 1,526,516

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

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

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

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

Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

- **Long-Term Revenue and Expense Differences**

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

- **Capital Related Differences**

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

- **Long-Term Debt Transaction Differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

- **Pension Differences**

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

- **OPEB Differences**

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

4. CASH

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these Notes.

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents, including trust funds	<u>\$ 9,853,952</u>	<u>\$ 9,090,468</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 15,447,177	
Covered by FDIC insurance	<u>692,720</u>	
Total	<u>\$ 16,139,897</u>	

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash consists of the following:

General fund:

Cash on deposit for reserves	
Workers compensation	\$ 81,104
Employee benefit liability	192,720
Retirement contributions	1,149,994
Unemployment	238,187
Capital	<u>2,000,193</u>

Total general fund restricted cash	<u>\$ 3,662,198</u>
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Capital project fund:

Cash on deposit for capital projects	<u>\$ 129,970</u>
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Non-major funds:

Cash on deposit for extraclassroom activity funds	<u>\$ 128,565</u>
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Fiduciary funds:

Cash on deposit for private purpose trust funds,	<u>\$ 8,297</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,288,603 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to \$989,908.

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

6. CAPITAL ASSETS

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

	July 1, 2020 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2021 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 156,622	\$ -	\$ -	\$ 156,622
Construction in progress	<u>9,491,842</u>	<u>-</u>	<u>9,491,842</u>	<u>-</u>
Total non-depreciable cost	<u>9,648,464</u>	<u>-</u>	<u>9,491,842</u>	<u>156,622</u>
Capital assets that are depreciated:				
Buildings and improvements	44,872,924	9,493,561	-	54,366,485
Furniture and equipment	3,127,880	127,861	-	3,255,741
Vehicles	<u>4,915,257</u>	<u>-</u>	<u>-</u>	<u>4,915,257</u>
Total depreciable historical cost	<u>52,916,061</u>	<u>9,621,422</u>	<u>-</u>	<u>62,537,483</u>
Less accumulated depreciation:				
Buildings and land improvements	22,153,929	1,652,362	481,681	23,324,610
Furniture and equipment	2,162,788	128,840	-	2,291,628
Vehicles	<u>3,227,995</u>	<u>364,266</u>	<u>-</u>	<u>3,592,261</u>
Total accumulated depreciation	<u>27,544,712</u>	<u>2,145,468</u>	<u>481,681</u>	<u>29,208,499</u>
Total depreciable cost, net	<u>25,371,349</u>	<u>7,475,954</u>	<u>(481,681)</u>	<u>33,328,984</u>
Total capital assets, net	<u>\$ 35,019,813</u>	<u>\$ 7,475,954</u>	<u>\$ 9,010,161</u>	<u>\$ 33,485,606</u>

Depreciation expense of \$2,145,468 for the year ended June 30, 2021, was allocated to specific functions as follows:

General support	\$ 214,547
Instruction	1,759,284
Transportation	128,728
Cost of sales	<u>42,909</u>
Total Depreciation	<u>\$ 2,145,468</u>

7. SHORT-TERM DEBT

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

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

The School District may issue bond anticipation notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities in the fund 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 School District had no short-term debt activity during the current year.

8. LONG-TERM DEBT

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

Interest paid	\$ 457,518
Less: Interest accrued in prior year	(35,889)
Plus: Interest accrued in current year	32,325
Less: Bond amortization in current year	<u>(98,023)</u>
Total interest expense	<u>\$ 355,931</u>

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds:					
Serial bonds payable	\$ 17,585,000	\$ -	\$ 1,790,000	\$ 15,795,000	\$ 1,765,000
Unamortized serial bond premium	<u>392,090</u>	<u>-</u>	<u>98,023</u>	<u>294,067</u>	<u>-</u>
	<u>17,977,090</u>	<u>-</u>	<u>1,888,023</u>	<u>16,089,067</u>	<u>1,765,000</u>
Other liabilities:					
Compensated absences*	<u>242,203</u>	<u>-</u>	<u>998</u>	<u>241,205</u>	<u>-</u>
Total long-term liabilities	<u>\$ 18,219,293</u>	<u>\$ -</u>	<u>\$ 1,889,021</u>	<u>\$ 16,330,272</u>	<u>\$ 1,765,000</u>

* Shown as net as it is impractical to show gross amounts.

In 2014, the School District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. \$3,565,000 of bonds outstanding are considered defeased at 6/30/2021.

8. LONG-TERM DEBT (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>June 30, 2021 Balance</u>
Serial Bond	2009	2028	0.95%	\$ 550,000
Serial Bond	2013	2022	2.00%	105,000
Serial Bond	2013	2031	2.00%	1,110,000
Serial Bond	2016	2036	2.00%	5,735,000
Serial Bond	2017	2022	1.75%	210,000
Serial Bond	2019	2035	3.00%	7,480,000
Serial Bond	2019	2024	1.88%	605,000
Total				<u>\$ 15,795,000</u>

The following is a summary of the maturities of bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,765,000	\$ 416,852	\$ 2,181,852
2023	1,615,000	376,084	1,991,084
2024	1,335,000	337,746	1,672,746
2025	1,140,000	304,235	1,444,235
2026	1,175,000	274,535	1,449,535
2027-2031	5,950,000	905,206	6,855,206
2032-2036	<u>2,815,000</u>	<u>208,050</u>	<u>3,023,050</u>
Totals	<u>\$ 15,795,000</u>	<u>\$ 2,822,708</u>	<u>\$ 18,617,708</u>

9. INTERFUND BALANCES AND ACTIVITY

	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 191,055	\$ -	\$ 59,472	\$ 132,024
Special aid fund	-	197,936	37,024	-
School lunch fund	-	31,877	-	-
Capital projects fund	38,758	380,854	95,000	59,472
Debt service fund	<u>380,854</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 610,667</u>	<u>\$ 610,667</u>	<u>\$ 191,496</u>	<u>\$ 191,496</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

9. INTERFUND BALANCES AND ACTIVITY (Continued)

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

All interfund payables are expected to be repaid within one year.

10. PENSION PLANS

New York State Employee Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

ERS

2021	\$	528,399
2020	\$	468,456
2019	\$	468,278

10. PENSION PLANS (Continued)

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008. The School District had no amortizing unpaid amounts at the end of the fiscal year.

- Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:
- For state fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.
- This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The School District had no unpaid liability at the end of the fiscal year.
- Chapter 105 of the Laws of 2010 of the State of New York authorizes local governments to make available a retirement benefit incentive program. The costs of the program will be billed and paid over five years beginning February 1, 2012. The School District had no retirement incentive liability at year end.

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

At June 30, 2021, the School District reported a liability of \$11,001 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2019. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was 0.0110477 percent, which was a decrease from its proportion measured at June 30, 2020 of 0.0115033 percent.

10. PENSION PLANS (Continued)

For the year ended June 30, 2021, the School District recognized pension expense of \$271,518. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,348	\$ -
Changes of assumptions	2,022,662	38,148
Net difference between projected and actual earnings on pension plan investments	-	3,160,030
Changes in proportion and differences between the District's contributions and proportionate share of contributions	56,095	42,972
Contributions subsequent to the measurement date	196,439	-
	<u>\$ 2,409,544</u>	<u>\$ 3,241,150</u>

\$196,439 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of March 31, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:

2022	\$ (170,472)
2023	(65,599)
2024	(176,463)
2025	(615,511)
2026	-
Thereafter	-
	<u>\$ (1,028,045)</u>

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.4% indexed by service
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

10. PENSION PLANS (Continued)

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

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

<u>Asset Type</u>	<u>Target allocations in %</u>	<u>Long-term expected real rate of return in %</u>
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic/ARS portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100.0%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's 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 Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (4.9%) or 1 percent higher (6.9%) than the current rate:

	<u>1 % Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Proportionate Share of the Net Pension liability (asset)	\$ 3,053,351	\$ 11,001	\$ (2,794,758)

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the plan as of March 31, 2021, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 220,680,157
Net position	220,580,583
Net pension liability (asset)	<u>\$ 99,574</u>
Fiduciary net position as a percentage of total pension liability	99.95%

New York State Teacher Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

TRS

2021	\$ 1,098,739
2020	\$ 990,977
2019	\$ 1,157,058

10. PENSION PLANS (Continued)

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

At June 30, 2021, the School District reported a liability of \$1,820,918 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2019. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 the School District's proportion was 0.065897 percent, which was an increase from its proportion measured June 30, 2020 of 0.065273 percent.

For the year ended June 30, 2021, the School District recognized pension expense (income) of \$2,488,303. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,595,489	\$ 93,319
Changes of assumptions	2,303,038	820,913
Net difference between projected and actual earnings on pension plan investments	1,189,219	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	151,771	40,623
Contributions subsequent to the measurement date	1,157,917	-
	<u>\$ 6,397,434</u>	<u>\$ 954,855</u>

\$1,157,917 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:

2021	\$ 755,968
2022	1,478,554
2023	1,205,932
2024	731,644
2025	33,148
Thereafter	79,416
	<u>\$ 4,284,662</u>

10. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.20%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table> <tr> <th><u>Service</u></th><th><u>Rate</u></th></tr> <tr> <td>5</td><td>4.72%</td></tr> <tr> <td>15</td><td>3.46%</td></tr> <tr> <td>25</td><td>2.37%</td></tr> <tr> <td>35</td><td>1.90%</td></tr> </table>	<u>Service</u>	<u>Rate</u>	5	4.72%	15	3.46%	25	2.37%	35	1.90%
<u>Service</u>	<u>Rate</u>										
5	4.72%										
15	3.46%										
25	2.37%										
35	1.90%										
Projected COLAs	1.3% compounded annually										
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2020 are summarized in the following table:

<u>Asset Type</u>	<u>Target allocations in %</u>	<u>expected real rate of return in %</u>
Domestic equity	33.0%	7.1%
International equity	16.0%	7.7%
Global equity	4.0%	7.4%
Real estate equity	11.0%	6.8%
Private equity	8.0%	10.4%
Domestic fixed income	16.0%	1.8%
Global bonds	2.0%	1.0%
High-yield bonds	1.0%	3.9%
Private debt	1.0%	5.2%
Real estate debt	7.0%	3.6%
Cash equivalents	1.0%	0.7%
	<u>100.0%</u>	

10. PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's 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 Liability (Asset) to the Discount Rate Assumption

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 7.10 percent, as well as what the School District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1 % Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Proportionate Share of the Net Pension liability (asset)	\$ 11,502,112	\$ 1,820,918	\$ (6,304,057)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset) of the plan as June 30, 2020, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$123,242,776,215
Net position	120,479,505,380
Net pension liability (asset)	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	97.8%

11. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries	
currently receiving benefits	118
Active employees	168
Total participants	<u>286</u>

Total OPEB Liability

The School District's total OPEB liability of \$ 51,174,070 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent per year
Discount Rate	2.16 percent as of June 30, 2021
Healthcare Cost Trend Rates	5.3 percent, decreasing to an ultimate rate of 4.1 percent over 55 years
Cost Method	Entry Age Normal

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

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 43,923,055</u>
Changes for the Year	
Service cost	2,375,449
Interest	1,013,529
Changes of benefit terms	-
Effect of demographic gains or losses	4,460,371
Effect of assumption changes or inputs	281,361
Benefit payments	<u>(879,695)</u>
Net changes	<u>7,251,015</u>
Balance at June 30, 2021	<u>\$ 51,174,070</u>

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

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

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

	1% Decrease <u>(1.16%)</u>	Current Discount <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Total OPEB Liability	<u>\$ 61,637,162</u>	<u>\$ 51,174,070</u>	<u>\$ 42,961,452</u>

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

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

	Healthcare		
	1% Decrease <u>(4.30%)</u> decreasing to <u>3.10%)</u>	Current Discount <u>(5.30%)</u> decreasing to <u>4.10%)</u>	1% Increase <u>(6.30%)</u> decreasing to <u>5.10%)</u>
Total OPEB Liability	<u>\$ 43,137,467</u>	<u>\$ 51,174,070</u>	<u>\$ 61,924,402</u>

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the School District recognized OPEB expense of \$2,653,816. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,909,708	\$ (2,817,760)
Changes of assumptions	<u>5,482,300</u>	<u>(9,293,727)</u>
Total	<u>\$ 9,392,008</u>	<u>\$(12,111,487)</u>

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2022	\$ (735,162)
2023	(735,162)
2024	(735,162)
2025	(735,162)
2026	(735,162)
Thereafter	<u>956,331</u>
	<u>\$ (2,719,479)</u>

12. RISK MANAGEMENT

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

13. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District administrations prepare a proposed budget for approval by the Board of Education for the General Fund. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the governmental funds balance sheet.

14. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

Agreement With	Owner/ Property	Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Percent of Tax Abated
Rt. 32 Westerlo Solar 1, LLC	176.-1-14.2	Borrego Solar Systems	\$ 400	58.6056	\$ 23	\$ 28,125	-122182.61%
Rt. 405 Westerlo Solar 2, LLC	176.-1-14.3	Borrego Solar Systems	400	58.6056	23	28,125	-122182.61%
Westerlo NY 1, LLC	176.-1-46.1	Clean Energy Collective	1,720	93.7636	161	11,109	-6800.24%
Medusa NY 1, LLC	161.-2-23	Clean Energy Collective	25,000		-	-	
Freehold Solar, LLC	51.00-1-5	Cypress Creek Renewables	50,000		-	-	
Costanza Solar, LLC		Cypress Creek Renewables			-	-	
Total					<u>\$ 207</u>	<u>\$ 67,359</u>	

15. CONTINGENCIES AND COMMITMENTS

General Information

The School 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 School District's administration believes disallowances, if any, will be immaterial.

The School District has various commitments with contractors for the completion of capital projects.

Litigation

The School District has claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

16. CHANGE IN ACCOUNTING PRINCIPLE

The School District adopted GASB Statement No. 84, Fiduciary Activities, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, beginning cash, liabilities, fund balance, and net position were adjusted as noted below for the following opinion units:

	Governmental Activities		
	Accrued/Other		Net Position
	Cash	Liabilities	
Balance at June 30, 2020, as previously reported	\$ 7,082,315	\$ 360,229	\$ (24,494,304)
Restatement of beginning balance - Adoption of GASB Statement No. 84	845,533	725,752	119,781
Balance at July 1, 2020, as restated	<u>\$ 7,927,848</u>	<u>\$ 1,085,981</u>	<u>\$ (24,374,523)</u>

	General Fund	
	Accrued/Other	
	Cash	Liabilities
Balance at June 30, 2020, as previously reported	\$ 6,310,759	\$ 321,865
Restatement of beginning balance - Adoption of GASB Statement No. 84	725,752	725,752
Balance at July 1, 2020, as restated	<u>\$ 7,036,511</u>	<u>\$ 1,047,617</u>

	Miscellaneous Special Revenue Fund		
	Accrued/Other		Fund Balance
	Cash	Liabilities	
Balance at June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	119,781	-	119,781
Balance at July 1, 2020, as restated	<u>\$ 119,781</u>	<u>\$ -</u>	<u>\$ 119,781</u>

	Agency Fund		
	Accrued/Other		Net Position
	Cash	Liabilities	
Balance at June 30, 2020, as previously reported	\$ 845,533	\$ 845,533	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	(845,533)	(845,533)	-
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

17. COVID-19 PANDEMIC

As of the date of this report, the United States continues to be affected by a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). During 2020, the NYS Governor put the economy “on pause” in an effort to combat the spread of COVID. As a result, many businesses were closed, or their operations were severely curtailed. The School District acted proactively as well in an effort to protect its employees as well as the School District population.

In response to the economic impact, the COVID pandemic, the United States government passed several stimulus bills (Coronavirus Aid, Relief, and Economic Security Act; Coronavirus Response and Relief Supplemental Appropriations Act; and American Rescue Plan Act) in an effort to provide relief to businesses, families and governments that have been devastated by the closure of large segments of the economy.

The School District’s remaining allocations for each of the stimulus plans are:

CARES	Entirely spent in fiscal 2021
CRRSA	\$999,850
ARPA	\$2,690,514

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (<u>Budgetary Basis</u>)	<u>Encumbrances</u>	Final Budget Variance with <u>Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 18,090,260	\$ 18,090,260	\$ 15,660,378	\$ -	\$ (2,429,882)
Other tax items	104,860	104,860	1,594,498	-	1,489,638
Charges for services	277,700	277,700	808,395	-	530,695
Use of money and property	31,000	31,000	22,202	-	(8,798)
Sale of property and compensation for loss	-	-	670	-	670
Miscellaneous	<u>386,155</u>	<u>386,155</u>	<u>460,379</u>	<u>-</u>	<u>74,224</u>
Total local sources	18,889,975	18,889,975	18,546,522	-	(343,453)
State sources	13,363,040	13,363,040	13,223,460	-	(139,580)
Federal sources	-	-	295,504	-	295,504
Medicaid reimbursement	<u>-</u>	<u>-</u>	<u>7,203</u>	<u>-</u>	<u>7,203</u>
Total revenue	32,253,015	32,253,015	32,072,689	-	(180,326)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>59,472</u>	<u>-</u>	<u>59,472</u>
Total revenue and other financing sources	<u>\$ 32,253,015</u>	<u>\$ 32,253,015</u>	<u>\$ 32,132,161</u>	<u>\$ -</u>	<u>\$ (120,854)</u>

(Continued)

GREENVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 28,910	\$ 29,580	\$ 24,251	\$ 1,321	\$ 4,008
Central administration	236,832	238,968	236,271	186	2,511
Finance	349,261	351,949	333,165	505	18,279
Staff	272,559	272,501	248,023	-	24,478
Central services	2,054,723	3,419,922	2,452,617	772,218	195,087
Special items	<u>461,653</u>	<u>470,612</u>	<u>456,150</u>	<u>-</u>	<u>14,462</u>
Total general support	3,403,938	4,783,532	3,750,477	774,230	258,825
INSTRUCTION:					
Instruction, administration, and improvement	960,205	999,812	914,392	46,847	38,573
Teaching - Regular school	8,149,821	8,173,041	7,754,549	339,865	78,627
Programs for children with handicapping conditions	4,272,356	4,267,291	4,165,778	20,848	80,665
Occupational education	610,718	643,174	642,454	-	720
Teaching - Special school	63,456	63,456	53,550	-	9,906
Instructional media	887,517	1,071,882	1,009,679	33,158	29,045
Pupil services	<u>1,704,581</u>	<u>1,782,912</u>	<u>1,564,591</u>	<u>106,158</u>	<u>112,163</u>
Total instruction	16,648,654	17,001,568	16,104,993	546,876	349,699
Pupil transportation	1,822,269	1,867,107	1,613,536	205,410	48,161
Employee benefits	7,970,633	7,758,356	6,826,926	-	931,430
Debt service - Principal	1,790,000	1,790,000	1,790,000	-	-
Debt service - Interest	<u>457,521</u>	<u>457,521</u>	<u>457,518</u>	<u>-</u>	<u>3</u>
Total expenditures	32,093,015	33,658,084	30,543,450	1,526,516	1,588,118
OTHER FINANCING USES					
Transfers to other funds	<u>160,000</u>	<u>160,000</u>	<u>132,024</u>	<u>-</u>	<u>27,976</u>
Total expenditures and other uses	<u>32,253,015</u>	<u>33,818,084</u>	<u>30,675,474</u>	<u>1,526,516</u>	<u>1,616,094</u>
NET CHANGE IN FUND BALANCE	-	(1,565,069)	1,456,687	(1,526,516)	1,495,240
FUND BALANCE - beginning of year	<u>5,971,719</u>	<u>5,971,719</u>	<u>5,971,719</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 5,971,719</u>	<u>\$ 4,406,650</u>	<u>\$ 7,428,406</u>	<u>\$ (1,526,516)</u>	<u>\$ 1,495,240</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0110477%	0.0115033%	0.0115538%	0.0113528%	0.0106683%	0.0107352%	0.0103956%	
Proportionate share of the net pension liability (asset)	\$ 11.0	\$ 3,046.1	\$ 818.6	\$ 366.4	\$ 1,002.4	\$ 1,723.0	\$ 351.2	
Covered-employee payroll	\$ 3,428.4	\$ 3,305.8	\$ 3,261.1	\$ 3,272.9	\$ 2,941.1	\$ 2,866.6	\$ 2,638.3	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.32%	92.15%	25.10%	11.19%	34.08%	60.11%	13.31%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	94.70%	94.70%	90.68%	97.95%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0658970%	0.0652730%	0.0658520%	0.0658520%	0.0680640%	0.0700920%	0.0706810%	
Proportionate share of the net pension liability (asset)	\$ 1,820.9	\$ (1,695.8)	\$ (1,192.0)	\$ (500.5)	\$ 729.0	\$ (7,280.3)	\$ (7,873.4)	
Covered-employee payroll	\$ 11,529.3	\$ 11,184.8	\$ 10,895.1	\$ 10,737.7	\$ 10,435.4	\$ 10,502.9	\$ 10,528.7	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.79%	-15.16%	-10.94%	-4.66%	6.99%	-69.32%	-74.78%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 528.4	\$ 468.5	\$ 468.3	\$ 486.3	\$ 447.8	\$ 557.8	\$ 492.9	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become		
Contributions in relation to the contractually required contribution	528.4	468.5	468.3	486.3	447.8	557.8	492.9			
Contribution deficiency (excess)	-	-	-	-	-	-	-			
Covered-employee payroll	\$ 3,428	\$ 3,306	\$ 3,261	\$ 3,273	\$ 2,941	\$ 2,867	\$ 2,638			
Contributions as a percentage of covered-employee payroll	15.41%	14.17%	14.36%	14.86%	15.23%	19.46%	18.68%			

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,098.7	\$ 991.0	\$ 1,157.1	\$ 1,052.3	\$ 1,223.0	\$ 1,392.7	\$ 1,845.7	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		
Contributions in relation to the contractually required contribution	1,098.7	991.0	1,157.1	1,052.3	1,223.0	1,392.7	1,845.7			
Contribution deficiency (excess)	-	-	-	-	-	-	-			
Covered-employee payroll	\$ 11,529	\$ 11,185	\$ 10,895	\$ 10,738	\$ 10,435	\$ 10,503	\$ 10,529			
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%			

GREENVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 2,375,449	\$ 1,604,639	\$ 2,314,395	\$ 2,381,279						
Interest	1,013,529	1,259,323	1,562,400	1,477,387						
Changes of benefit terms	-	-	-	-						
Effect of demographic gains or losses	4,460,371	-	-	-						
Changes in assumptions	281,361	7,072,753	(18,523,587)	(339,111)						
Benefit payments	(879,695)	(772,707)	(714,276)	(524,937)						
Total change in total OPEB liability	7,251,015	9,164,008	(15,361,068)	2,994,618						
Total OPEB liability - beginning	43,923,055	34,759,047	50,120,115	47,125,497						
Total OPEB liability - ending	\$ 51,174,070	\$ 43,923,055	\$ 34,759,047	\$ 50,120,115						
 Covered-employee payroll	 \$ 11,208,121	 \$ 11,593,447	 \$ 11,593,447	 \$ 12,253,060						
 Total OPEB liability as a percentage of covered-employee payroll	 456.58%	 378.86%	 299.82%	 409.04%						

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.16%	2.21%	3.50%	3.00%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

OTHER INFORMATION

GREENVILLE CENTRAL SCHOOL DISTRICT**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET

Adopted budget	\$ 32,253,015
Add: Prior year's encumbrances	<u>1,565,069</u>
Original budget	33,818,084
Budget revisions:	<u>-</u>
Final budget	<u>\$ 33,818,084</u>

SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND (UNAUDITED)

2021-22 voter-approved expenditure budget	\$ 32,886,167	
Maximum allowed (4% of 2021-22 budget)		\$ 1,315,447
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law *:		
Total fund balance:	<u>\$ 7,428,406</u>	
Less:		
Restricted fund balance	\$ 3,662,198	
Assigned fund balance:		
Appropriated fund balance	821,872	
Encumbrances included in committed and assigned fund balance	<u>1,526,516</u>	
Total adjustments	<u>\$ 6,010,586</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 1,417,820</u>
Actual percentage		4.31%

*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Project Title</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Revenue</u>			<u>Expenditures</u>			<u>Fund Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
Elementary Pavilion 7029-001	\$ 50,000	\$ 144,200	\$ 144,200	\$ -	\$ 144,200	\$ 84,728	\$ 59,472	\$ 144,200	\$ -
Elementary Renovation 001-030	95,000	266,800	-	95,000	95,000	-	15,030	15,030	79,970
Elementary Fields 0001-029	2,548,058	2,709,261	2,709,261	-	2,709,261	2,692,197	17,064	2,709,261	-
Building Condition Survey	50,000	50,000	50,000	-	50,000	-	-	-	50,000
MS/HS Renovation 0008-026	<u>625,000</u>	<u>6,952,834</u>	<u>6,782,579</u>	<u>-</u>	<u>6,782,579</u>	<u>6,549,919</u>	<u>232,660</u>	<u>6,782,579</u>	<u>-</u>
	<u>\$ 3,368,058</u>	<u>\$ 10,123,095</u>	<u>\$ 9,686,040</u>	<u>\$ 95,000</u>	<u>\$ 9,781,040</u>	<u>\$ 9,326,844</u>	<u>\$ 324,226</u>	<u>\$ 9,651,070</u>	<u>\$ 129,970</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special <u>Aid</u>	School <u>Lunch</u>	Debt <u>Service</u>	Miscellaneous <u>Special Revenue</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS					
Cash - Unrestricted	\$ 6,670	\$ 476	\$ -	\$ -	\$ 7,146
Cash - Restricted	-	-	-	128,565	128,565
Accounts receivable	-	188	-	-	188
Due from other funds	-	-	380,854	-	380,854
State and federal aid receivable	223,416	45,720	-	-	269,136
Inventory	-	12,050	-	-	12,050
TOTAL ASSETS	<u>\$ 230,086</u>	<u>\$ 58,434</u>	<u>\$ 380,854</u>	<u>\$ 128,565</u>	<u>\$ 797,939</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 8,240	\$ 500	\$ -	\$ -	\$ 8,740
Due to other funds	197,936	31,877	-	-	229,813
Due to other governments	-	278	-	-	278
Unearned revenue	23,910	9,975	-	-	33,885
TOTAL LIABILITIES	<u>230,086</u>	<u>42,630</u>	<u>-</u>	<u>-</u>	<u>272,716</u>
FUND BALANCE					
Nonspendable					
Inventory	-	12,050	-	-	12,050
Restricted					
Other	-	-	-	128,565	128,565
Debt service	-	-	380,854	-	380,854
Total restricted fund balance	<u>-</u>	<u>-</u>	<u>380,854</u>	<u>128,565</u>	<u>509,419</u>
Assigned					
Other	-	68,523	-	-	68,523
Total assigned fund balance	<u>-</u>	<u>68,523</u>	<u>-</u>	<u>-</u>	<u>68,523</u>
Unassigned	-	(64,769)	-	-	(64,769)
TOTAL FUND BALANCE	<u>-</u>	<u>15,804</u>	<u>380,854</u>	<u>128,565</u>	<u>525,223</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 230,086</u>	<u>\$ 58,434</u>	<u>\$ 380,854</u>	<u>\$ 128,565</u>	<u>\$ 797,939</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Special <u>Aid</u>	School <u>Lunch</u>	Debt <u>Service</u>	Miscellaneous <u>Special Revenue</u>	Total Non-Major Governmental <u>Funds</u>
REVENUE:					
Use of money and property	\$ -	\$ 2	\$ -	\$ -	\$ 2
Miscellaneous	-	892	-	88,562	89,454
State sources	266,916	12,252	-	-	279,168
Federal sources	728,762	352,302	-	-	1,081,064
Sales - School lunch	-	34,757	-	-	34,757
Total revenue	<u>995,678</u>	<u>400,205</u>	<u>-</u>	<u>88,562</u>	<u>1,484,445</u>
EXPENDITURES:					
Instruction	1,014,197	-	-	-	1,014,197
Pupil transportation	18,505	-	-	-	18,505
Employee benefits	-	90,031	-	-	90,031
Other	-	-	-	79,778	79,778
Cost of sales	-	338,452	-	-	338,452
Total expenditures	<u>1,032,702</u>	<u>428,483</u>	<u>-</u>	<u>79,778</u>	<u>1,540,963</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(37,024)</u>	<u>(28,278)</u>	<u>-</u>	<u>8,784</u>	<u>(56,518)</u>
OTHER SOURCES AND (USES):					
Operating transfers in	<u>37,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,024</u>
Total other sources (uses)	<u>37,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,024</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>(28,278)</u>	<u>-</u>	<u>8,784</u>	<u>(19,494)</u>
FUND BALANCE - beginning of year, as previously reported	-	44,082	380,854	-	424,936
RESTATEMENT (Note 16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,781</u>	<u>119,781</u>
FUND BALANCE - beginning of year, as restated	<u>-</u>	<u>44,082</u>	<u>380,854</u>	<u>119,781</u>	<u>544,717</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ 15,804</u>	<u>\$ 380,854</u>	<u>\$ 128,565</u>	<u>\$ 525,223</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021 (UNAUDITED)**

Capital assets, net	\$ 33,485,606
Deduct:	
Premium on bonds payable	294,067
Short-term portion of bonds payable	1,765,000
Long-term portion of bonds payable	<u>14,030,000</u>
	<u>16,089,067</u>
Net Investment in capital assets	<u>\$ 17,396,539</u>

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

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

September 15, 2021

To the Board of Education of
Greenville Central School District:

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

Internal Control over Financial Reporting

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

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

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

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(Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2021-001.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned responses. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

**GREENVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the School District's financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☒ Yes ☐ No

Section II—Financial Statement Findings

Finding 2021-001 – Stewardship and Compliance

Criteria – The School District's unreserved, unrestricted fund balance was outside the NYS Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming year.

Condition – General Fund unrestricted, unreserved fund balance exceeded the 4% limitation.

Questioned Costs – None

Cause and Effect – The current year surplus resulted in the fund balance exceeding limits.

Recommendation – We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management Response – Management will ensure excess fund balance is taken into effect when preparing future budgets.