

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

Endwell, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2021**



MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Required Supplementary Information Management's Discussion and Analysis	4-4j
Basic Financial Statements	
District-wide Financial Statements	
Statement of Net Position	5-6
Statement of Activities	7
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	10
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to Financial Statements	14-48

Required Supplementary Information	
Schedule of Revenues Compared to Budget (Non-U.S. GAAP) - General Fund	49
Schedule of Expenditures Compared to Budget (Non-U.S. GAAP) - General Fund	50
Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans	51
Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability	52
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	53
Notes to Required Supplementary Information	54-58

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

Supplementary Financial Information	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit	59
Schedule of Project Expenditures - Capital Projects Fund	60
Schedule of Net Investment in Capital Assets	61
Balance Sheet - Non-Major Governmental Funds	62
Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	63
Report Required Under Government Auditing Standards	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	64-65
Reports Required Under the Single Audit Act (Uniform Guidance)	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	66-67
Schedule of Expenditures of Federal Awards	68
Notes to Schedule of Expenditures of Federal Awards	69
Schedule of Findings and Questioned Costs	70



INDEPENDENT AUDITORS' REPORT

Board of Education
Maine-Endwell Central School District
Endwell, New York

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 Maine-Endwell Central School District (the 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.

Auditors' 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 of material misstatement.

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

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

INSERO & Co. CPAs, LLP

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Opinions

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

Emphasis of a Matter

During the year ended June 30, 2021, the School District adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 17 to the financial statements, net position (deficit) as of June 30, 2020 for the governmental activities and fiduciary funds, as well as fund balance for the governmental funds activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison information; Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans; Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability; Schedule of Changes in the School District Total OPEB Liability and Related Ratios; and related notes on pages 4-4j and 49-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds; and Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds (supplementary information) on pages 59-63 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

Respectfully submitted,

A handwritten signature in dark ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 7, 2021

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

The following is a discussion and analysis of Maine-Endwell Central School District's (the School District) 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 District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) 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

- The School District recognizes its total other postemployment benefits (OPEB) liability, as well as deferred outflows and deferred inflows of resources related to the OPEB plan in accordance with the parameters of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." Current year recognition resulted in a decrease of Government-wide expenses of \$7,350,560, compared to an increase of \$418,634 in 2020.
- The School District ended the year with a total net deficit of \$68,110,860, a decrease of \$10,047,794 from the prior year. Year end net position was composed of \$5,091,007 in restricted, \$57,417,292 in net investment in capital assets, and \$130,619,159 in unrestricted net deficit. The unrestricted net deficit increased \$881,535 from the prior year. Unrestricted net deficit at June 30, 2021 is primarily attributable to recognition of the accumulated OPEB liability of \$103,272,234.
- Revenues exceeded expenses by \$10,047,794 in 2021, compared to revenues exceeding expenses by \$414,393 in 2020.
- The School District records its proportionate share of the net pension asset/liability along with deferred inflows and outflows of resources related to pensions in accordance with the parameters of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Current year recognition resulted in an increase of Government-wide expenses of \$1,733,127, compared to an increase of \$2,056,514 in 2020.
- The School District had \$48,030,402 in outstanding debt at year end, an increase of \$10,596,019 from the prior year. This was primarily the result of the addition of the installment purchase debt and the issue of a RAN offset somewhat by principal payments on outstanding long-term debt.
- Capital asset additions during 2021 amounted to \$16,397,598 for the purchase of buses, vehicles, equipment, and construction in progress expenditures. Depreciation expense was \$3,256,194 for the current year.
- General Fund budgeted expenditures, including carry-over encumbrances, and other financing uses, were underspent by \$2,256,037. General Fund revenues and other financing sources were less than the budgeted amounts by \$169,736.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

- Total General Fund fund balance, including reserves, was \$8,054,673 at June 30, 2021. Unassigned fund balance amounted to \$2,047,619 at year end. This amount was subject to and below the maximum limit (4% of 2021-2022 appropriations) permitted under New York State Real Property Tax Law.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are 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 Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. 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; a Schedule of Changes in the School District's Total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits; and information related to the School District's pension obligations.

District-Wide Financial Statements

The District-wide financial 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, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed.

Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) 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.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

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

Governmental Fund Financial Statements

The Governmental Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds, not on 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 School District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one 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 District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities 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 District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 1

Condensed Statement of Net Position	Governmental Activities and Total School District		Total Dollar Change 2020 - 2021
	2021	2020	
<i>Current Assets</i>	\$ 8,296,871	\$ 6,767,012	\$ 1,529,859
<i>Noncurrent Assets</i>	4,332,552	6,489,932	(2,157,380)
<i>Capital Assets, Net</i>	97,131,759	83,990,355	13,141,404
Total Assets	109,761,182	97,247,299	12,513,883
<i>Deferred Charges on Defeased Debt</i>	315,935	525,845	(209,910)
<i>Pensions</i>	11,132,670	9,820,785	1,311,885
<i>Other Postemployment Benefits</i>	20,839,728	7,423,991	13,415,737
Total Deferred Outflows of Resources	32,288,333	17,770,621	14,517,712
<i>Current Liabilities</i>	21,451,071	11,862,887	9,588,184
<i>Noncurrent Liabilities</i>	137,318,989	165,847,550	(28,528,561)
Total Liabilities	158,770,060	177,710,437	(18,940,377)
<i>Pensions</i>	4,806,483	3,413,139	1,393,344
<i>Other Postemployment Benefits</i>	46,583,832	12,052,998	34,530,834
Total Deferred Inflows of Resources	51,390,315	15,466,137	35,924,178
<i>Net Investment in Capital Assets</i>	57,417,292	47,081,817	10,335,475
<i>Restricted</i>	5,091,007	4,497,153	593,854
<i>Unrestricted</i>	(130,619,159)	(129,737,624)	(881,535)
Total Net (Deficit)	\$ (68,110,860)	\$ (78,158,654)	\$ 10,047,794

The increase in current assets is primarily due to an increase in receivables from state and federal sources within the General, School Lunch, and Special Aid Funds. The increase in capital assets is the result of current year capital outlay exceeding depreciation. The decrease in noncurrent assets is primarily due to the change of the net pension asset for NYSLRS in the prior year to a net pension liability in the current year. The changes in deferred outflows of resources - pensions, and deferred inflows of resources - pensions, are related to changes in the actuarially determined proportionate share of the pension systems' plan's net pension asset/liability and related deferred outflows and inflows of resources.

The decrease in deferred charges on defeased debt is due to amortization of deferred amounts on refunding bonds. The increase in current liabilities is primarily due the issuance of RANs and BANs in the current year. The increase in noncurrent liabilities is primarily related to changes in pension and OPEB valuations.

The changes in deferred outflows of resources - OPEB, and deferred inflows of resources - OPEB, are primarily due to changes in the actuarial valuation of the School District's OPEB plan.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Net investment in capital assets increased due to capital outlay and debt principal payments exceeding debt proceeds and depreciation expense for the current year. The change in restricted net position is primarily based on the difference between board approved reserve appropriations and uses in the General Fund as well as an increase in restricted fund balance within the School Lunch Fund. Unrestricted net deficit changed based on the net effect of the changes discussed above in addition to results of operations. Our analysis in Figure 2 considers the operations of the School District's activities.

Our analysis in Figure 2 considers the operations of the School District's activities.

Figure 2

Condensed Statement of Net Position	Governmental Activities and Total School District		Total Dollar Change 2020 - 2021
	2021	2020	
REVENUES			
<i>Program Revenues:</i>			
Charges for Services	\$ 295,297	\$ 540,642	\$ (245,345)
Operating Grants	3,438,926	2,707,258	731,668
Capital Grants	340,097	-	340,097
<i>General Revenues:</i>			
Real Property Taxes	20,993,471	20,352,431	641,040
Real Property Tax Items	4,058,725	4,248,503	(189,778)
State Sources	26,890,526	26,754,269	136,257
Use of Money and Property	4,225	94,090	(89,865)
Other General Revenues	620,735	880,628	(259,893)
Total Revenues	\$ 56,642,002	\$ 55,577,821	\$ 1,064,181
PROGRAM EXPENSES			
General Support	\$ 7,426,199	\$ 7,795,557	\$ (369,358)
Instruction	33,962,956	41,578,603	(7,615,647)
Pupil Transportation	2,694,113	3,128,223	(434,110)
School Lunch Program	1,367,741	1,451,374	(83,633)
Interest on Debt	1,143,199	1,209,671	(66,472)
Total Expenses	\$ 46,594,208	\$ 55,163,428	\$ (8,569,220)
CHANGE IN NET POSITION	\$ 10,047,794	\$ 414,393	\$ 9,633,401

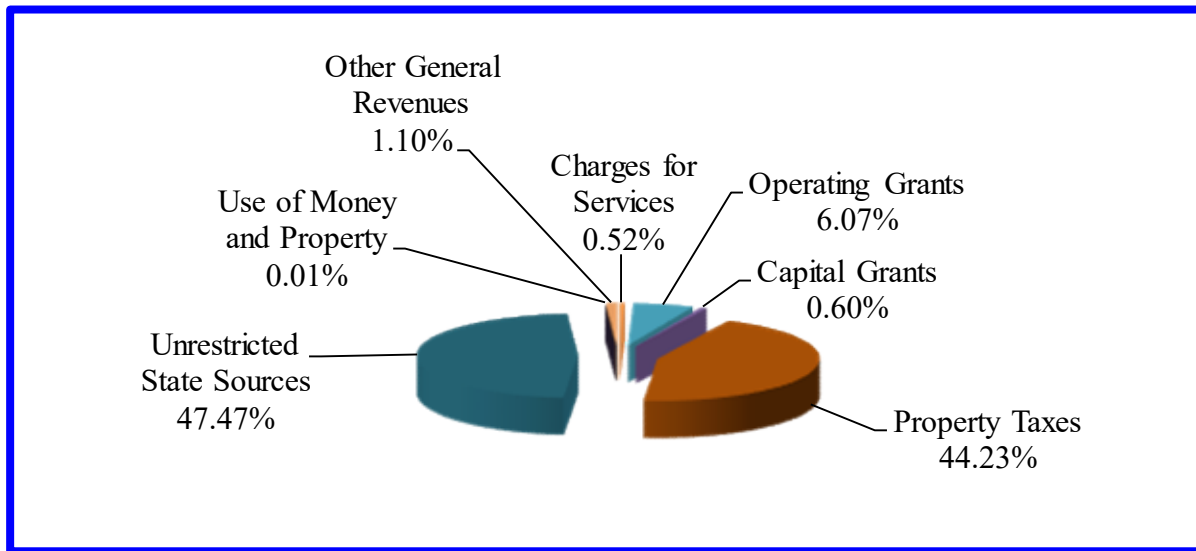
Total revenues for the School District's Governmental Activities increased 1.9%, while total expenses decreased 15.5%. The increase in revenue is primarily due to increases in property taxes and grants, partly offset by a decrease in charges for services and real property tax items. The decrease in total expenses is primarily due to the expenses related to Governmental Accounting Standards Board (GASB) Statement No. 68 and GASB Statement No. 75 in comparison to the prior year.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

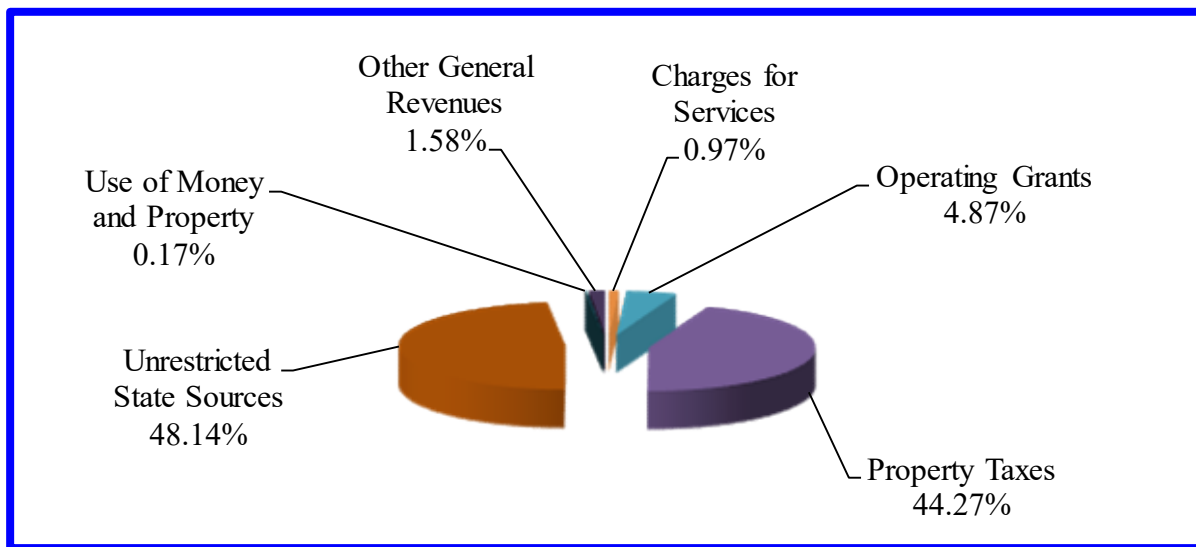
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 3 and Figure 4 show the sources of revenue for 2021 and 2020.

***Figure 3
Sources of Revenue for 2021***



***Figure 4
Sources of Revenue for 2020***

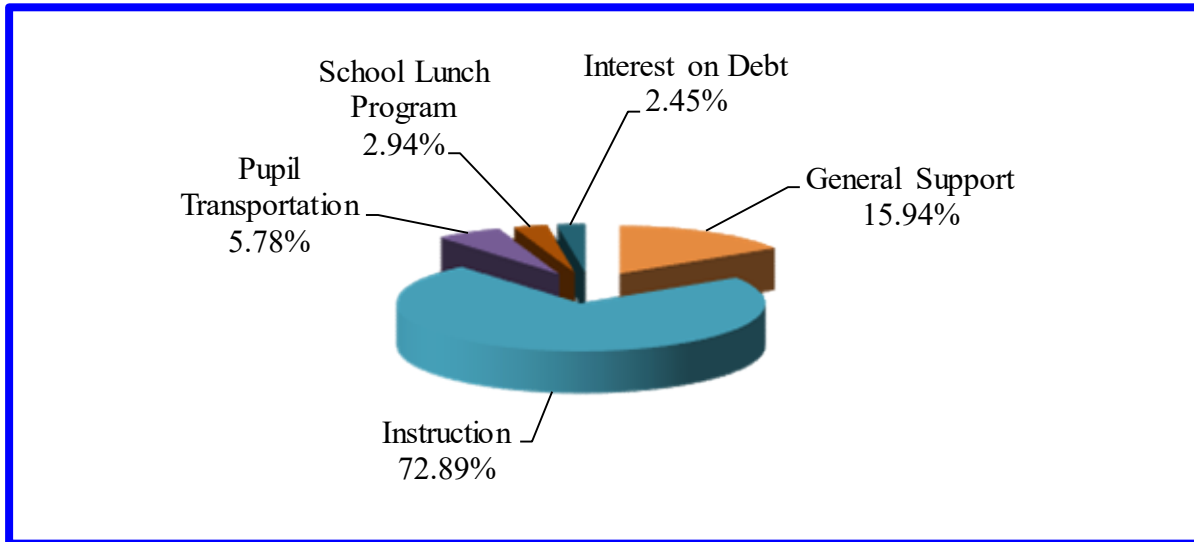


MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

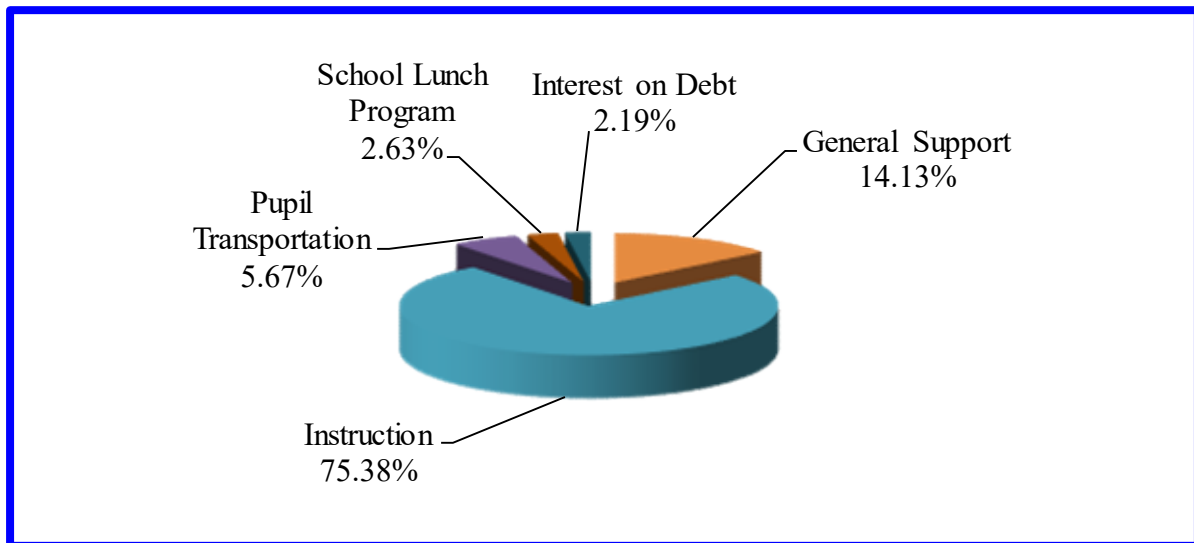
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 5 and Figure 6 present the costs for each of the School District's programs for 2021 and 2020.

***Figure 5
Cost of Programs for 2021***



***Figure 6
Cost of Programs for 2020***



MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in total fund balances for the year for the School District's Governmental funds. The School District experienced a decrease in total fund balance, which is primarily attributable to excess expenditures and other uses over revenues and other sources in the Capital Projects Fund - Construction.

Figure 7

<i>Governmental Fund Balances</i>	<i>2021</i>	<i>2020</i>	<i>Total Dollar Change 2020 - 2021</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 8,054,673	\$ 6,919,447	\$ 1,135,226
<i>Capital Projects Fund - Construction</i>	(10,582,557)	(1,493,144)	(9,089,413)
<i>Non-Major Funds</i>	(604,695)	(990,864)	386,169
<i>Total Governmental Funds</i>	<i>\$ (3,132,579)</i>	<i>\$ 4,435,439</i>	<i>\$ (7,568,018)</i>

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Superintendent approves budgetary transfers that revise the School District budget line items and the Board reviews the transfers. In addition, during the year the budget was amended. These budget amendments consisted of appropriated reserves, gifts and donations, and insurance recovery, which increased the budget \$166,929. Even with these adjustments, the School District received less revenue than budgeted; primarily from less federal aid than anticipated. The actual charges to appropriations (expenditures) were below the final budget amounts. Expenditures were under budget due to lower than expected costs related to instructional salaries, contractual expenses, and employee benefits.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ending June 30, 2021.

Figure 8

<i>Condensed Budgetary Comparison General Fund - 2021</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
Real Property Taxes	\$ 24,848,513	\$ 21,011,614	\$ 20,993,471	\$ (18,143)
Other Tax Items	229,301	4,066,200	4,058,725	(7,475)
State Sources	27,344,632	26,995,537	27,164,453	168,916
Other, Including Financing Sources	858,817	1,210,338	897,304	(313,034)
Total Revenues and Other Financing Sources	\$ 53,281,263	\$ 53,283,689	\$ 53,113,953	\$ (169,736)
Appropriated Fund Balances	\$ 992,055	\$ 1,156,558		
EXPENDITURES				
General Support	\$ 4,843,189	\$ 5,244,193	\$ 4,874,660	\$ 369,533
Instruction	24,936,741	24,841,887	23,975,975	865,912
Pupil Transportation	1,879,049	1,842,163	1,657,144	185,019
Employee Benefits	15,378,345	15,281,194	14,524,756	756,438
Debt Service	7,065,994	7,060,994	7,018,994	42,000
Other Financing Uses	170,000	169,816	132,681	37,135
Total Expenditures and Other Financing (Uses)	\$ 54,273,318	\$ 54,440,247	\$ 52,184,210	\$ 2,256,037

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021, the School District had invested in a broad range of capital assets totaling \$133,653,924 offset by accumulated depreciation of \$36,522,165. Figure 9 shows the changes in the School District's capital assets.

Figure 9

<i>Changes in Capital Assets</i>	<i>2021</i>	<i>2020</i>	<i>Total Dollar Change 2020 - 2021</i>
Land	\$ 695,899	\$ 695,899	\$ -
Construction in Progress	20,434,797	4,700,323	15,734,474
Buildings, Net	73,059,813	75,657,405	(2,597,592)
Equipment, Net	2,941,250	2,936,728	4,522
Total	\$ 97,131,759	\$ 83,990,355	\$ 13,141,404

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Capital asset activity for the year ended June 30, 2021 included the following:

Land, Equipment, Buildings, and Improvements	\$ 16,397,598
Less Depreciation Expense	<u>(3,256,194)</u>
Net Change in Capital Assets	<u>\$ 13,141,404</u>

Additional major capital projects will be required in accordance with the School District's long range renovation plan.

Debt Administration

Debt, both short and long-term, considered a liability of Governmental Activities, increased, as shown in *Figure 10*. The increase resulted mostly from the issuance of RANs and BANs as well as the addition of installment purchase debt, offset somewhat by repayment of serial bonds. Total bonded indebtedness represented 53.0% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

Outstanding Debt	Governmental Activities and Total School District		Total Dollar Change
	2021	2020	2020 - 2021
<i>Bond Anticipation Notes</i>	\$ 3,487,680	\$ 1,454,530	\$ 2,033,150
<i>Revenue Anticipation Notes</i>	8,000,000	-	8,000,000
<i>Serial Bonds</i>	30,238,005	35,979,853	(5,741,848)
<i>Installment Purchase Debt</i>	6,304,717	-	6,304,717
Total	\$ 48,030,402	\$ 37,434,383	\$ 10,596,019

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

The School District's bond rating is Aaa, which did not change from the prior year.

Other obligations of the School District include accrued vacation pay and sick leave, and OPEB for retired employees. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- The School District has an approved capital project totaling \$15,329,000. Work has started in May 2020 and will be completed in the Fall of 2021.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

- The School District has an approved Energy Performance Contract totaling \$6,506,636 for a solar land array project on 16 acres of contiguous land near Maine Memorial Elementary School, Maine NY. Work has been completed in the Spring of 2021 and the solar array is fully operational. Expected savings for the District are approximately \$7 million over 25 years.
- GASB Statement No. 75 requires an actuarial calculation of health insurance obligations for retired employees. This computation was required and initiated in the 2017-2018 fiscal year and could impact the School District's bond rating in future years.
- Expected increases in costs for health insurance, employee and teacher retirement systems, and fuel costs remain factors bearing on the School District's future.
- New York State's limit is making it more difficult for school districts to raise revenues in years when expenses trend higher due to pension cost increases, health insurance increases, and other expenses we do not have direct control over. School districts that have attempted to go over the tax levy limit with the State-required 60% budget approval have not fared well statewide. This will make it more difficult for schools to balance budgets when state aid increases lag behind expenditure increases in any given year.
- The School District is pleased with the passage of the 2021-22 budget of \$57,755,236. The budget increased by 6.58% from the previous year. The approval rate was 77.2%, which represents a broad public base of support for the spending plan from our community.
- The School District has made a diverse range of operational adjustments in response to the effects of COVID-19. These adjustments are numerous but include moving to remote instruction, including students with disabilities, and food distribution to ensure adequate feeding of students. As the pandemic continues to evolve, the School District will also incur additional costs associated with complying with new safety regulations.
- The School District has been allocated approximately \$7 million in stimulus funds. The School District will be using these funds to address areas such as learning loss, health and safety, and social emotional well being of staff and students over the next three school years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Maine-Endwell Central School District, at 712 Farm-to-Market Road, Endwell, New York.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2021

ASSETS

Current Assets

Cash - Unrestricted	\$ 3,641,170
Cash - Restricted	411,331
Receivables:	
State and Federal Aid	2,587,835
Due from Other Governments	1,524,358
Other	85,017
Inventories	47,160
Total Current Assets	8,296,871

Noncurrent Assets

Restricted Cash	4,332,552
Land and Other Nondepreciable Capital Assets	21,130,696
Capital Assets, Net	76,001,063
Total Noncurrent Assets	101,464,311
Total Assets	109,761,182

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charges on Defeased Debt	315,935
Pensions	11,132,670
Other Postemployment Benefits	20,839,728
Total Deferred Outflows of Resources	32,288,333

LIABILITIES

Current Liabilities

Accounts Payable	1,308,603
Accrued Liabilities	518,030
Due to Other Governments	414
Bond Interest and Matured Bonds	290,778
Due to Teachers' Retirement System	1,446,503
Due to Employees' Retirement System	155,183
Revenue and Bond Anticipation Notes Payable	11,487,680
Unearned Revenue	383,694
Current Portion of Long-Term Obligations:	
Bonds Payable	5,496,753
Installment Purchase Debt Payable	363,433
Total Current Liabilities	21,451,071

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued) JUNE 30, 2021

LIABILITIES (Continued)

Noncurrent Liabilities and Obligations

Bonds Payable	<u>\$ 24,741,252</u>
Installment Purchase Debt Payable	<u>5,941,284</u>
Compensated Absences Payable	<u>889,570</u>
Other Postemployment Benefits Liabilities	<u>103,272,234</u>
Net Pension Liability - Proportionate Share	<u>2,474,649</u>
Total Noncurrent Liabilities and Obligations	<u>137,318,989</u>

Total Liabilities	<u>158,770,060</u>
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DEFERRED INFLOWS OF RESOURCES

Pensions	<u>4,806,483</u>
Other Postemployment Benefits	<u>46,583,832</u>

Total Deferred Inflows of Resources	<u>51,390,315</u>
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NET POSITION

Net Investment in Capital Assets	<u>57,417,292</u>
Restricted	<u>5,091,007</u>
Unrestricted Net (Deficit)	<u>(130,619,159)</u>

Total Net (Deficit)	<u><u>\$ (68,110,860)</u></u>
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See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
General Support	\$ 7,426,199	\$ -	\$ -	\$ -	\$ (7,426,199)
Instruction	33,962,956	243,419	1,691,808	340,097	(31,687,632)
Pupil Transportation	2,694,113	-	-	-	(2,694,113)
School Lunch Program	1,367,741	51,878	1,747,118	-	431,255
Interest on Debt	1,143,199	-	-	-	(1,143,199)
Total Functions and Programs	\$ 46,594,208	\$ 295,297	\$ 3,438,926	\$ 340,097	(42,519,888)

GENERAL REVENUES

Real Property Taxes	20,993,471
Real Property Tax Items	4,058,725
Use of Money and Property	4,225
Unrestricted State Sources	26,890,526
Sale of Property and Compensation for Loss	32,232
Miscellaneous	588,503

Total General Revenues	52,567,682
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Change in Net Position	10,047,794
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Total Net (Deficit) - Beginning of Year	(78,158,654)
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Total Net (Deficit) - End of Year	\$ (68,110,860)
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See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2021

	Major Funds		Total	
	General	Capital Projects -	Non-Major	Total
	Fund	Construction	Governmental	Governmental
	Fund	Fund	Funds	Funds
ASSETS				
Cash - Unrestricted	\$ 3,241,036	\$ 367,744	\$ 32,390	\$ 3,641,170
Cash - Restricted	4,255,182	-	488,701	4,743,883
Receivables:				
Due From Other Funds	9,318,308	-	33,600	9,351,908
State and Federal Aid	1,463,599	-	1,124,236	2,587,835
Due From Other Governments	1,524,358	-	-	1,524,358
Other	81,737	-	3,280	85,017
Inventories	-	-	47,160	47,160
Total Assets	\$ 19,884,220	\$ 367,744	\$ 1,729,367	\$ 21,981,331
LIABILITIES				
Payables:				
Accounts Payable	\$ 1,084,080	\$ 199,094	\$ 25,429	\$ 1,308,603
Accrued Liabilities	508,455	-	9,575	518,030
Due to Other Funds	103,510	8,751,207	497,191	9,351,908
Due to Other Governments	103	-	311	414
Due to Teachers' Retirement System	1,446,503	-	-	1,446,503
Due to Employees' Retirement System	155,183	-	-	155,183
Revenue Anticipation Notes Payable	8,000,000	-	-	8,000,000
Bond Anticipation Notes Payable	-	2,000,000	1,487,680	3,487,680
Unearned Revenue	69,818	-	313,876	383,694
Total Liabilities	11,367,652	10,950,301	2,334,062	24,652,015
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - State Aid	461,895	-	-	461,895
Total Deferred Inflows of Resources	461,895	-	-	461,895
FUND BALANCES				
Nonspendable	-	-	47,160	47,160
Restricted	4,255,182	-	835,825	5,091,007
Assigned	1,751,872	-	-	1,751,872
Unassigned	2,047,619	(10,582,557)	(1,487,680)	(10,022,618)
Total Fund Balances (Deficit)	8,054,673	(10,582,557)	(604,695)	(3,132,579)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,884,220	\$ 367,744	\$ 1,729,367	\$ 21,981,331

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Fund Balances (Deficit) - Total Governmental Funds **\$ (3,132,579)**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 133,653,924	
Less Accumulated Depreciation	<u>(36,522,165)</u>	97,131,759

The School District's proportion of the collective net pension asset/liability is not reported in the funds.

TRS Net Pension Liability - Proportionate Share	\$ (2,463,390)	
ERS Net Pension Liability - Proportionate Share	<u>(11,259)</u>	(2,474,649)

Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including unavailable revenue, OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Unavailable Revenue	\$ 461,895	
Unamortized Deferred Charges on Defeased Debt	315,935	
TRS Deferred Inflows of Resources - Pension	(1,480,173)	
ERS Deferred Inflows of Resources - Pension	(3,326,310)	
Other Postemployment Benefits Deferred Inflows	(46,583,832)	
TRS Deferred Outflows of Resources - Pension	8,638,468	
ERS Deferred Outflows of Resources - Pension	2,494,202	
Other Postemployment Benefits Deferred Outflows	<u>20,839,728</u>	(18,640,087)

Proceeds of debt are reported as revenue in the Governmental Funds, but issuance of debt increases the balance of obligations payable in the Statement of Net Position. Repayments of bond principal and installment purchase debt are an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bonds Payable	\$ (28,370,000)	
Installment Purchase Debt Payable	(6,304,717)	
Unamortized Bond Premium	<u>(1,868,005)</u>	(36,542,722)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Other Postemployment Benefits Liabilities	\$ (103,272,234)	
Compensated Absences	<u>(889,570)</u>	(104,161,804)

Interest is accrued on outstanding balances of debt obligations in the District-wide financial statements and, therefore, is not reported as liabilities in the funds.

Accrued Interest on Long-Term Debt		<u>(290,778)</u>
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Net (Deficit) of Governmental Activities **\$ (68,110,860)**

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

	Major Funds		Total	Total
	General	Capital Projects -	Non-Major	Total
	Fund	Construction	Governmental	Governmental
	Fund	Fund	Fund	Funds
REVENUES				
Real Property Taxes	\$ 20,993,471	\$ -	\$ -	\$ 20,993,471
Other Tax Items	4,058,725	-	-	4,058,725
Charges for Services	144,916	-	-	144,916
Use of Money and Property	4,146	-	79	4,225
Sale of Property and Compensation for Loss	32,232	-	-	32,232
Miscellaneous	560,603	-	38,876	599,479
State Sources	27,164,453	340,097	491,535	27,996,085
Federal Sources	98,503	-	2,598,098	2,696,601
Surplus Food	-	-	66,103	66,103
Sales - School Lunch	-	-	48,371	48,371
Total Revenues	53,057,049	340,097	3,243,062	56,640,208
EXPENDITURES				
General Support	4,784,014	-	-	4,784,014
Instruction	23,864,477	-	1,939,482	25,803,959
Pupil Transportation	1,657,119	-	27,918	1,685,037
Employee Benefits	14,521,442	-	410,850	14,932,292
Debt Service:				
Principal	5,691,327	-	-	5,691,327
Interest	1,327,667	-	-	1,327,667
Cost of Sales	-	-	523,838	523,838
Capital Outlay	-	15,834,227	509,477	16,343,704
Total Expenditures	51,846,046	15,834,227	3,411,565	71,091,838
Excess (Deficiency) of Revenues Over Expenditures	1,211,003	(15,494,130)	(168,503)	(14,451,630)
OTHER FINANCING SOURCES AND (USES)				
Redeemed from Appropriations	-	-	476,327	476,327
Premiums on Obligations	56,904	-	45,664	102,568
Proceeds of Obligations	-	6,304,717	-	6,304,717
Operating Transfers In	-	100,000	32,681	132,681
Operating Transfers (Out)	(132,681)	-	-	(132,681)
Total Other Sources (Uses)	(75,777)	6,404,717	554,672	6,883,612
Net Change in Fund Balance	1,135,226	(9,089,413)	386,169	(7,568,018)
Fund Balances (Deficit) - Beginning of Year	6,919,447	(1,493,144)	(990,864)	4,435,439
Fund Balances (Deficit) - End of Year	\$ 8,054,673	\$ (10,582,557)	\$ (604,695)	\$ (3,132,579)

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

Net Change in Fund Balances - Total Governmental Funds	\$ (7,568,018)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Outlay	\$ 16,397,598
Depreciation Expense	<u>(3,256,194)</u>
	13,141,404
Long-term debt proceeds and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Repayment of Bond Principal	\$ 5,215,000
Proceeds of Obligations	<u>(6,304,717)</u>
	(1,089,717)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	1,794
The issuance of refunding bonds results in a deferral of the change in the amount of debt. The deferred amount is amortized annually.	
Amortization of Deferred Charges on Defeased Debt	(209,910)
Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, activity which results in an (increase) or decrease in these long-term liabilities is not reflected in the Governmental Fund financial statements.	
Compensated Absences	\$ (137,002)
Other Postemployment Benefits Liability	<u>7,350,560</u>
	7,213,558
Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as interest accrues, regardless of when it is due. Additional interest reported in the Statement of Activities is a result of accrued interest on bonds, BANs, and amortization of bond premiums.	
Changes in Accrued Interest	(235,038)
Premiums received on obligations are recorded as revenues in the Governmental Funds when received, but are deferred and amortized in the Governmental Activities. This is the amortization of premiums received in previous years, and the adjustment for premiums received in the current year.	
Amortization of Bond Premium	526,848
Changes in the School District's proportionate share of net pension assets/liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.	
ERS	\$ 226,213
TRS	<u>(1,959,340)</u>
	(1,733,127)
Net Change in Net Position of Governmental Activities	<u>\$ 10,047,794</u>

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2021

	Custodial Fund
ASSETS	
Cash - Unrestricted	\$ 59,921
Investments - Unrestricted	25,625
Total Assets	\$ 85,546
NET POSITION	
Unrestricted	\$ 85,546
Total Net Position	\$ 85,546

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

	Custodial Fund
ADDITIONS	
Extraclassroom Receipts	<u>\$ 59,612</u>
DEDUCTIONS	
Extraclassroom Disbursements	<u>50,771</u>
Change in Net Position	<u>8,841</u>
Net Position - Beginning of Year	<u>76,705</u>
Net Position - End of Year	<u>\$ 85,546</u>

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1* **Summary of Significant Accounting Policies*

The accompanying financial statements of Maine-Endwell Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The 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 (Board) consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the Maine-Endwell Central School District;
- 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 basic 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Reporting Entity - Continued

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. While the Extraclassroom Activity Funds are not considered a component unit of the School District, due to the School District's fiduciary responsibility in relation to the funds, they are reported in the School District's Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from Maine-Endwell Central School District's Business Office, located at 712 Farm-to-Market Road, Endwell, NY 13760.

Joint Venture

The School District is one of 15 component school districts in the Broome-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. 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 (GML).

A 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 Education Law §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

Separate financial statement of Broome-Tioga BOCES may be obtained by contacting the administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Presentation - District-wide Financial 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 revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Basis of Presentation - Governmental Fund Financial Statements

The Governmental Fund financial 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 Governmental Fund financial statements is on Major Governmental Funds, each displayed in a separate column.

The School District reports the following Governmental Funds:

Major Funds

- General Fund: The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- Capital Projects - Construction Fund: Accounts for the financial resources used for the construction of the educational complexes.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Presentation - Governmental Fund Financial Statements – Continued

Non-Major Funds

- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - Special Aid Fund: Accounts for proceeds received from state and federal grants that are restricted for special educational programs.
 - School Lunch Fund: Accounts for revenues and expenditures in connection with the School District's food service program.
 - Miscellaneous Special Revenue Fund - Used to account for scholarship funds awarded to individual students.
- Debt Service Fund: Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.
- Capital Projects - Bus Fund: Accounts for the financial resources used for the purchase of buses.

Fiduciary Activities are those for which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District and are not available to be used.

The School District reports the following Fiduciary Fund:

- Custodial Fund: Strictly custodial in nature and do not involve measurement of results of operations. Assets are held by the School District as agent for various student groups or Extraclassroom Activity Funds.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Measurement Focus and Basis of Accounting

The District-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the 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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for BOCES aid, which is accrued only if receivable within 60 days after the end of the fiscal year.

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

Cash and Investments

The School District's cash, and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments are stated at fair value.

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, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Due To/From Other Funds

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable, as these assets are not in spendable form in the current period.

Capital Assets

Capital assets are reported at actual cost. 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) and estimated useful lives of capital assets reported in the District-wide financial statements are listed below.

Depreciation is calculated using the straight-line method.

	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 5,000	40 Years
Improvements	5,000	20 - 30 Years
Furniture and Equipment	5,000	5 - 12 Years

Vested Employee Benefits - Compensated Absences

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

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Vested Employee Benefits - Compensated Absences - Continued

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

Consistent with GASB Statement Number 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Postemployment Benefits

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's 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 cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health 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.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 10 for additional information.

Unearned Revenue and Unavailable Revenue

Unearned revenues arise 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 the School District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

The Governmental Fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Unearned Revenue and Unavailable Revenue - Continued

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports deferred charges on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. See Note 7 for details. The School District also reports deferred outflows of resources related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 9 and 10, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 9 and 10, respectively. Additionally, unavailable revenue is reported on the Balance Sheet. Unavailable revenues from state aid will be paid by the state “when funds become available.” These amounts are deferred and recognized as an inflow of resources in the period amounts become available.

Accrued Liabilities and Long-Term Obligations

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

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Equity Classifications - District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

Equity Classifications - Governmental Fund Financial Statements

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to 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.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education authorized the Assistant Superintendent for Business to assign fund balance. The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

Legally Adopted Reserves

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Legally Adopted Reserves - Continued

- Capital Reserve (Education Law §3651) - 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 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.
- Mandatory Reserve for Debt Service (GML§ 6-1) - Used to establish a reserve for the purpose of retiring outstanding obligations upon the sale of School District property or capital improvements financed by obligations which remain outstanding at the time of sale. Funding of this reserve is from the proceeds of the sale of School District property or capital improvements. This reserve is accounted for in the Debt Service Fund.
- Employee Benefit Accrued Liability Reserve (GML § 6-p) - Used to reserve funds for payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- Unemployment Insurance Reserve (GML § 6-m) - 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 60 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.
- Retirement Contribution Reserve (GML § 6-r) - Used to reserve funds for the purpose of financing retirement contributions. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 20, 2020. Taxes were collected during the period September 1, 2020 to November 1, 2020.

Uncollected real property taxes are subsequently enforced by the Counties of Tioga and Broome. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the following April 1.

Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Future Changes in Accounting Standards

GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which delays the implementation dates for several GASB statements as follows.

- GASB has issued Statement No. 87, "Leases," effective for the year ended June 30, 2021, delayed by GASB Statement No. 95 to June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," delayed by GASB Statement No. 95 to June 30, 2022.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1* **Summary of Significant Accounting Policies - Continued*

Future Changes in Accounting Standards - Continued

- GASB has issued Statement No. 92 “Omnibus 2021,” effective for the year ending June 30, 2022.

The School District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2* **Participation in BOCES*

During the year ended June 30, 2021, the School District’s share of BOCES income amounted to \$3,283,053. The School District was billed \$8,876,754 for BOCES administration, program costs and capital costs. Financial statements for Broome-Tioga BOCES are available from the BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

Note 3* **Cash and Cash Equivalents - Custodial Credit and Concentration of Credit*

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.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the School District’s name.

The School District’s aggregate bank balances of \$8,681,512, are either insured or collateralized with securities held by the pledging financial institution in the School District’s name.

The School District’s cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District’s investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state.

Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 3 Cash and Cash Equivalents - Custodial Credit and Concentration of Credit - Continued

The School District has few investments (primarily donated scholarship funds and United States Treasury obligations) and chooses to disclose its investments by specifically identifying each. The School District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value. The School District had investments in certificates of deposit with a cost and fair market value of \$25,625.

Restricted cash and investments at June 30, 2021 consisted of the following:

General Fund Reserves	\$ 4,255,182
Restricted for School Lunch	21,972
Restricted for Scholarships	77,370
Restricted for Debt	389,359
Total	<u>\$ 4,743,883</u>

Note 4 Interfund Balances and Activity

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$9,318,308	\$ 103,510	\$ -	\$ 132,681
Capital Projects - Construction Fund	-	8,751,207	100,000	-
Non-Major Funds	33,600	497,191	32,681	-
Total	<u>\$9,351,908</u>	<u>\$9,351,908</u>	<u>\$ 132,681</u>	<u>\$ 132,681</u>

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

The School District typically transfers from the General Fund to the Special Aid Fund to fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Projects Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

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.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 5 Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets that are not Depreciated:				
Land	\$ 695,899	\$ -	\$ -	\$ 695,899
Construction in Progress	4,700,323	15,834,226	(99,752)	20,434,797
Total Nondepreciable Historical Cost	<u>5,396,222</u>	<u>15,834,226</u>	<u>(99,752)</u>	<u>21,130,696</u>
Capital Assets that are Depreciated:				
Buildings	104,597,012	15,223	99,752	104,711,987
Furniture and Equipment	7,725,824	548,149	(462,732)	7,811,241
Total Depreciable Historical Cost	<u>112,322,836</u>	<u>563,372</u>	<u>(362,980)</u>	<u>112,523,228</u>
Total Historical Cost	<u>117,719,058</u>	<u>16,397,598</u>	<u>(462,732)</u>	<u>133,653,924</u>
Less Accumulated Depreciation:				
Buildings	(28,939,607)	(2,712,567)	-	(31,652,174)
Furniture and Equipment	(4,789,096)	(543,627)	462,732	(4,869,991)
Total Accumulated Depreciation	<u>(33,728,703)</u>	<u>(3,256,194)</u>	<u>462,732</u>	<u>(36,522,165)</u>
Total Historical Cost, Net	<u>\$ 83,990,355</u>	<u>\$ 13,141,404</u>	<u>\$ -</u>	<u>\$ 97,131,759</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 1,951,272
Instruction	858,610
Pupil Transportation	402,607
School Lunch Program	<u>43,705</u>
Total Depreciation Expense	<u>\$ 3,256,194</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 6 Short-Term Debt

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

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 did not issue or redeem any budget notes during the year.

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Such notes may be classified as long-term when (1) the intention is to refinance the debt on a long-term basis; and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. Short-term debt activity for the year is summarized below:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	Outstanding June 30, 2021
Bus BAN	10/01/2020	10/01/2021	2.00%	\$ 1,487,680
Construction BAN	01/28/2021	07/28/2021	1.25%	2,000,000
RAN	07/31/2020	07/28/2021	1.25%	8,000,000
Total				<u>\$ 11,487,680</u>

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

	Beginning Balance	Issued	Refinanced/ Redeemed	Ending Balance
BANs	\$ 1,454,530	\$ 3,487,680	\$ (1,454,530)	\$ 3,487,680
RANs	-	8,000,000	-	8,000,000
Total	<u>\$ 1,454,530</u>	<u>\$ 11,487,680</u>	<u>\$ (1,454,530)</u>	<u>\$ 11,487,680</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 6 Short-Term Debt - Continued

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

Interest Paid	\$ 21,673
(Less) Interest Accrued in the Prior Year	(16,134)
Plus Interest Accrued in the Current Year	121,399
(Less) Premiums on BANs and RANs	(102,568)
Total	\$ 24,370

Note 7 Long-Term Debt

At June 30, 2021, the total outstanding indebtedness of the School District represented 53.0% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds and Statutory Installment Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the School District associated with these direct borrowings or placements.
- Installment Purchase Debt - The School District leases equipment with the intent to purchase.
- The following is a summary of the School District's long-term debt for the year ended June 30, 2021:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
Serial Bonds				
Refunding Bonds	06/15/2016	06/15/2025	2.0% - 4.0%	\$ 13,765,000
2015 Bus Bonds	06/15/2015	06/15/2027	2.0% - 3.0%	3,685,000
Construction Bond DASNY	06/17/2020	06/15/2033	5.0%	10,920,000
Subtotal Serial Bonds				28,370,000
Add: Unamortized Premium				1,868,005
Total Bonds				30,238,005
Installment Purchase Debt:				
Capital Lease	7/28/2020	7/15/2035	2.27%	6,304,717
Total				\$ 36,542,722

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 7 Long-Term Debt - Continued

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

Interest Paid	\$ 1,305,994
(Less) Interest Accrued in the Prior Year	(39,606)
Plus Interest Accrued in the Current Year	169,379
(Less) Amortization of Bond Premium	(526,848)
Plus Amortization of Deferred Charges on Defeased Debt	<u>209,910</u>
Total	<u>\$ 1,118,829</u>

Interest paid on the Serial Bonds varies from year to year, in accordance with interest rates specified in the bond agreements.

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

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Serial Bonds	\$33,585,000	\$ -	\$ (5,215,000)	\$28,370,000	\$ 5,050,000
Installment Purchase Debt	-	6,304,717	-	6,304,717	363,433
Subtotal	33,585,000	6,304,717	(5,215,000)	34,674,717	5,413,433
Add: Premium	2,394,853	-	(526,848)	1,868,005	446,753
Total	<u>\$ 35,979,853</u>	<u>\$ 6,304,717</u>	<u>\$ (5,741,848)</u>	<u>\$ 36,542,722</u>	<u>\$ 5,860,186</u>

The following is a summary of the maturity of long-term indebtedness:

Year	Principal	Interest	Total
2022	\$ 5,050,000	\$ 1,132,838	\$ 6,182,838
2023	5,210,000	967,250	6,177,250
2024	5,400,000	758,150	6,158,150
2025	4,160,000	541,250	4,701,250
2026	1,520,000	372,200	1,892,200
2027-2031	5,645,000	997,500	6,642,500
2032-2033	<u>1,385,000</u>	<u>90,550</u>	<u>1,475,550</u>
Total	<u>\$ 28,370,000</u>	<u>\$ 4,859,738</u>	<u>\$ 33,229,738</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 7 Long-Term Debt - Continued

Installments Purchase Debt

The following is a schedule of future minimum lease payments under capital leases:

Year	Principal	Interest	Total
2022	\$ 363,433	\$ 138,387	\$ 501,820
2023	366,498	135,321	501,819
2024	374,818	127,002	501,820
2025	383,326	118,493	501,819
2026	392,027	109,792	501,819
2027-2031	2,097,733	411,364	2,509,097
2032-2036	2,326,882	162,212	2,489,094
Total	\$ 6,304,717	\$ 1,202,571	\$ 7,507,288

The cost and net book value of assets procured through capital leases was \$6,883,252 and \$6,883,252, respectively.

Unamortized deferred charges on defeased debt are amortized over the life of the bonds. Balances and activity for the year are summarized as follows:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Unamortized Deferred Charges on Defeased Debt	\$ 525,845	\$ -	\$ (209,910)	\$ 315,935	\$ 166,346
Total	\$ 525,845	\$ -	\$ (209,910)	\$ 315,935	\$ 166,346

Note 8 Compensated Absences

Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General Fund.

A summary of compensated absences activity follows.

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated Absences	\$ 752,568	\$ 137,002	\$ -	\$ 889,570

Changes in compensated absences are recorded as net, as it is not practical to isolate additions and deletions.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

Teachers' Retirement System (TRS) (System)

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

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the New York State Retirement and Social Security Law (RSSL), those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, accumulated member contributions are refunded. At retirement, accumulated member contributions can be withdrawn or are paid as a life annuity.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Employees' Retirement System (ERS) (System)

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the RSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The 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, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Contributions

The School District is required to contribute at an actuarially determined rate. The School District's 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:

	<u>ERS</u>	<u>TRS</u>
2021	\$ 578,766	\$ 1,345,382
2020	592,689	1,570,648
2019	564,022	1,526,640

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

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	4/1/2020	6/30/2019
Net Pension Liability	\$ 99,573,957	\$ 2,763,270,836
School District's Proportionate Share of the Plan's Total Net Pension Asset/Liability	11,259	2,463,390
School District's Share of the Net Pension Asset/Liability	0.011307%	0.089148%

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) – Continued

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

For the year ended June 30, 2021, the School District recognized pension expense of \$302,815 for ERS and \$3,336,358 for TRS in the District-wide financial statements. 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	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 137,504	\$ 2,158,423	\$ -	\$ 126,244
Changes of Assumptions	2,070,191	3,115,616	39,044	1,110,554
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,608,810	3,234,285	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	131,324	374,613	52,981	243,375
School District's Contributions Subsequent to the Measurement Date	155,183	1,381,006	-	-
Total	<u>\$2,494,202</u>	<u>\$8,638,468</u>	<u>\$3,326,310</u>	<u>\$1,480,173</u>

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

<u>Year Ending</u>	<u>ERS</u>	<u>TRS</u>
2022	\$ (167,912)	\$ 979,393
2023	(39,789)	1,956,928
2024	(158,164)	1,621,478
2025	(621,426)	1,010,564
2026	-	95,574
Thereafter	-	113,352

Actuarial Assumptions

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Investment Rate of Return	5.9%	7.1%
Salary Increases	4.4%	1.9% - 4.72%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

For TRS, the actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2019.

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Asset Type		
Domestic Equities	4.1%	7.1%
International Equities	6.3%	7.7%
Global Equities	-	7.4%
Real Estate	5.0%	6.8%
Private Equity/Alternative Investments	6.8%	10.4%
Opportunistic Portfolio/ARC Portfolio	4.5%	-
Real Assets	6.0%	-
Cash	0.5%	-
Credit	3.6%	-
Domestic Fixed Income Securities	-	1.8%
Global Fixed Income Securities	-	1.0%
Private Debt	-	5.2%
Real Estate Debt	-	3.6%
High-Yield Fixed Income Securities	-	3.9%
Short-Term	-	0.7%

Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

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

The following presents the School District's proportionate share of the net pension asset/liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 3,125,099	\$ 11,259	\$ (2,860,430)
	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
TRS			
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 15,560,389	\$ 2,463,390	\$ (8,528,310)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Employers' Total Pension Asset/Liability	\$ 220,680,157	\$ 123,242,776
Plan Net Position	(220,580,583)	(120,479,505)
Employers' Net Pension Asset/Liability	\$ 99,574	\$ 2,763,271
Ratio of Plan Net Position to the Employers' Total Pension Asset/Liability	99.9%	97.8%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$155,183.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Payables to the Pension Plan - Continued

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$1,446,503.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	\$ 3,119,085	\$ (3,107,826)	\$ 11,259
Deferred Outflows of Resources	(2,124,254)	(369,948)	(2,494,202)
Deferred Inflows of Resources	74,749	3,251,561	3,326,310
Subtotal	<u>1,069,580</u>	<u>(226,213)</u>	<u>843,367</u>
TRS			
Net Pension Liability	(2,296,104)	4,759,494	2,463,390
Deferred Outflows of Resources	(7,696,531)	(941,937)	(8,638,468)
Deferred Inflows of Resources	3,338,390	(1,858,217)	1,480,173
Subtotal	<u>(6,654,245)</u>	<u>1,959,340</u>	<u>(4,694,905)</u>
Total	<u>\$ (5,584,665)</u>	<u>\$ 1,733,127</u>	<u>\$ (3,851,538)</u>

Note 10 Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan (Plan)

Plan Description - The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees. The School District acquires health insurance through a consortium known as the Broome-Tioga Health Insurance Consortium. Benefits provided by the Consortium are administered by Blue Cross/Blue Shield. The Consortium plan covers medical and pharmaceutical costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Postemployment Benefits Other Than Pensions (OPEB) – Continued

General Information about the OPEB Plan - Continued

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of 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 Benefit Payments	353
Active Employees	<u>347</u>
Total	<u><u>700</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$103,272,234 was measured as of July 1, 2020, and was determined by 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:

Single Discount Rate	2.21%
Salary Scale	3.0%
Rate of Inflation	2.4%
Marriage Rate	70.0%
Participation Rate	100.0%
Participation Rate Spouse	80.0%
Healthcare Cost Trend Rates	6.5% for 2022, Decreasing to an Ultimate Rate of 3.94% for 2091

The single discount rate above is based on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020.

Rates of decrement due to turnover and retirement are based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019).

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

The actuarial assumptions used in the July 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 131,737,891
Changes For The Year	
Service Cost	3,675,376
Interest Cost	4,660,091
Changes of Benefit Terms	(2,310,879)
Differences Between Expected and Actual Experience	(48,242,957)
Changes in Assumptions or Other Inputs	18,288,327
Benefit Payments	(4,535,615)
	<u>(28,465,657)</u>
Balance at June 30, 2021	<u>\$ 103,272,234</u>

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 higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 120,996,004	\$ 103,272,234	\$ 89,172,743

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 87,608,063	\$ 103,272,234	\$ 123,560,718

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Postemployment Benefits Other Than Pensions (OPEB) - 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 \$3,409,826.

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	\$ -	\$ 39,620,126
Changes in Assumptions or Other Inputs	16,898,994	6,963,706
Contributions Subsequent to Measurement Date	3,940,734	-
Total	\$ 20,839,728	\$ 46,583,832

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

Fiscal Year Ending June 30,	Amount
2022	\$ (9,434,414)
2023	(8,507,504)
2024	(5,853,890)
2025	(5,651,295)
2026	(237,735)
Thereafter	-

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
OPEB Liability	\$ 131,737,891	\$ (28,465,657)	\$ 103,272,234
Deferred Outflows of Resources	(7,423,991)	(13,415,737)	(20,839,728)
Deferred Inflows of Resources	12,052,998	34,530,834	46,583,832
Total	\$ 136,366,898	\$ (7,350,560)	\$ 129,016,338

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 11* Commitments and Contingencies**

Risk Financing and Related Insurance - General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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 three years.

Risk Financing and Related Insurance - Health Insurance

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program.

School districts joining the Plan must remain members for a minimum of one year; a member school district may withdraw from the Plan after that time by providing notice to the consortium prior to the May 1, immediately preceding the commencement of the next school year. Plan members include 15 school districts including one BOCES, with each school district bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained from the BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling \$11,111,769. The School District also approved withdrawing from the Plan, effective June 30, 2021.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

***Note 11* Commitments and Contingencies - Continued**

Risk Financing and Related Insurance - Workers' Compensation

The School District incurs costs related to a workers' compensation insurance plan (Plan). The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include eleven school districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained from the BOCES administrative office at 435 Glenwood Rd., Binghamton NY 13905.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures of \$254,616. The School District also approved withdrawing from the plan effective June 30, 2021.

Other Items

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.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 12 Stewardship, Compliance, and Accountability - Deficit Fund Balance and Net Position

Deficit Fund Balances

The Capital Projects - Bus Fund had a deficit fund balance of \$1,487,680 at June 30, 2021. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

The Capital Projects - Construction Fund had a deficit fund balance of \$10,582,557 at June 30, 2021. This deficit will be eliminated as permanent financing is obtained.

Deficit Net Position

At June 30, 2021, the District-wide Statement of Net Position had an unrestricted net deficit of \$130,619,159. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 10). The deficit is not expected to be eliminated during the normal course of operations.

Note 13 Fund Balance Detail

At June 30, 2021, nonspendable, restricted, assigned, and unassigned fund balance in the governmental funds was as follows:

	General Fund	Capital Projects- Construction Fund	Non-Major Funds
Nonspendable			
Inventory	\$ -	\$ -	\$ 47,160
Total Nonspendable Fund Balance	\$ -	\$ -	\$ 47,160
Restricted			
Unemployment Insurance Reserve	\$ 73,253	\$ -	\$ -
Reserve for ERS Contributions	1,524,369	-	-
Reserve for TRS Contributions	889,599	-	-
Employee Benefit Accrued Liability Reserve	1,722,211	-	-
Capital Reserve	45,750	-	-
School Lunch	-	-	369,096
Miscellaneous Special Revenue	-	-	77,370
Debt	-	-	389,359
Total Restricted Fund Balance	\$ 4,255,182	\$ -	\$ 835,825
Assigned			
Appropriated for Next Year's Budget	\$ 1,546,389	\$ -	\$ -
Encumbered for:			
General Support	90,646	-	-
Instruction	111,498	-	-
Pupil Transportation	25	-	-
Employee Benefits	3,314	-	-
Total Assigned Fund Balance	\$ 1,751,872	\$ -	\$ -
Unassigned Fund Balance	\$ 2,047,619	\$ (10,582,557)	\$ (1,487,680)

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 14 Restricted Fund Balances

Portions of fund balance are reserved and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2021 of the General Fund reserves were as follows:

General Fund	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Employee Benefit Accrued Liability					
Reserve	\$ 1,822,041	\$ -	\$ 170	\$ (100,000)	\$ 1,722,211
Tax Certiorari Reserve	84,151	-	7	(84,158)	-
Reserve for ERS Contributions	1,524,227	-	142	-	1,524,369
Reserve for TRS Contributions	586,922	302,623	54	-	889,599
Unemployment Insurance Reserve	70,753	50,000	3	(47,503)	73,253
Capital Reserve	45,746	-	4	-	45,750
Total General Fund	\$ 4,133,840	\$ 352,623	\$ 380	\$ (231,661)	\$ 4,255,182
Debt Service Fund	\$ 343,655	\$ 45,664	\$ 40	\$ -	\$ 389,359

Note 15 Tax Abatements

For the year ended June 30, 2021, the School District was subject to tax abatements negotiated by the Broome County Industrial Development Agency (BCIDA).

The BCIDA enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$57,097. The School District received payment in lieu of tax (PILOT) payments totaling \$186,740.

Note 16 Uncertainty

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies on the area in which the School District operates. The School District completed the school year in an online learning format and is beginning the 2021-2022 academic year in a partially online format. While it is unknown how long these conditions will last and what the complete financial effect will be, the School District expects disruptions to businesses and residents and potential effects to state government funding, which could negatively impact operating results in future periods.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 17* **Restatement*

During the year, the School District adopted GASB Statement No. 84. The School District's June 30, 2020 net position (deficit) for Governmental Activities has been restated to reflect the following:

Net Position (Deficit) Beginning of Year	\$ (78,218,642)
GASB Statement No. 84 Implementation	<u>59,988</u>
Net Position (Deficit) Beginning of Year, as Restated	<u>\$ (78,158,654)</u>

In addition, net position for the Custodial Fund has been restated to reflect the following:

Net Position Beginning of Year	\$ -
GASB Statement No. 84 Implementation	<u>76,705</u>
Net Position Beginning of Year, as Restated	<u>\$ 76,705</u>

Note 18* **Subsequent Events*

On July 27, 2021, the School District issued a bond anticipation note of \$13,080,000, at interest rate of 1.25%, to finance various construction and reconstruction improvements.

During the 2020-2021 fiscal year, the School District approved the withdrawal from both health insurance and workers' compensation consortium as described in Note 12 effective July 1, 2021.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real Property Taxes	\$ 24,848,513	\$ 21,011,614	\$ 20,993,471	\$ (18,143)
Other Tax Items	229,301	4,066,200	4,058,725	(7,475)
Charges for Services	199,000	199,000	144,916	(54,084)
Use of Money and Property	20,000	20,000	4,146	(15,854)
Sale of Property and Compensation for Loss	-	256	32,232	31,976
Miscellaneous	519,000	521,170	560,603	39,433
Total Local Sources	25,815,814	25,818,240	25,794,093	(24,147)
State Sources	27,344,632	26,995,537	27,164,453	168,916
Federal Sources	112,000	461,095	98,503	(362,592)
Total Revenues	53,272,446	53,274,872	53,057,049	(217,823)
OTHER FINANCING SOURCES				
Operating Transfers In	8,817	8,817	-	(8,817)
Premiums on Obligations	-	-	56,904	56,904
Total Other Financing Sources	8,817	8,817	56,904	48,087
Total Revenues and Other Financing Sources	53,281,263	53,283,689	\$ 53,113,953	\$ (169,736)
Appropriated Fund Balance	250,000	250,000		
Appropriated Reserves	659,000	823,503		
Designated Fund Balance and Encumbrances Carried Forward from Prior Year	83,055	83,055		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	\$ 54,273,318	\$ 54,440,247		

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 30,538	\$ 38,217	\$ 33,278	\$ -	\$ 4,939
Central Administration	253,847	248,846	236,753	-	12,093
Finance	842,803	828,245	799,979	5,525	22,741
Staff	256,787	306,672	280,185	-	26,487
Central Services	2,960,191	3,318,542	2,940,806	85,121	292,615
Special Items	499,023	503,671	493,013	-	10,658
Total General Support	4,843,189	5,244,193	4,784,014	90,646	369,533
Instruction					
Instruction, Administration, and Improvement	1,436,675	1,520,411	1,439,843	-	80,568
Teaching - Regular School	11,838,285	11,585,632	11,295,217	43,056	247,359
Programs for Children with Handicapping Conditions	7,560,898	7,292,670	6,893,168	15,530	383,972
Teaching - Special school	40,000	20,000	13,413	-	6,587
Instructional Media	2,012,104	2,250,101	2,232,581	-	17,520
Pupil Services	2,048,779	2,173,073	1,990,255	52,912	129,906
Total Instruction	24,936,741	24,841,887	23,864,477	111,498	865,912
Pupil Transportation	1,879,049	1,842,163	1,657,119	25	185,019
Employee Benefits	15,378,345	15,281,194	14,521,442	3,314	756,438
Debt Service					
Principal	5,691,327	5,691,327	5,691,327	-	-
Interest	1,374,667	1,369,667	1,327,667	-	42,000
Total Debt Service	7,065,994	7,060,994	7,018,994	-	42,000
Total Expenditures	54,103,318	54,270,431	51,846,046	205,483	2,218,902
OTHER FINANCING USES					
Operating Transfers Out	170,000	169,816	132,681	-	37,135
Total Expenditures and Other Financing Uses	\$ 54,273,318	\$ 54,440,247	51,978,727	\$ 205,483	\$ 2,256,037
Net Change in Fund Balance			1,135,226		
Fund Balance - Beginning of Year			6,919,447		
Fund Balance - End of Year			\$ 8,054,673		

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 578,766	\$ 592,689	\$ 564,022	\$ 537,410	\$ 604,707	\$ 543,355	\$ 505,351	\$ 650,766	\$ 776,949	\$ 678,076
Contributions in Relation to the Contractually Required Contribution	(578,766)	(592,689)	(564,022)	(537,410)	(604,707)	(543,355)	(505,351)	(650,766)	(776,949)	(678,076)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	3,828,247	3,905,198	3,634,531	3,413,058	3,615,784	3,072,260	3,190,275	3,642,879	4,164,595	4,394,009
Contributions as a Percentage of Covered Payroll	15.1%	15.2%	15.5%	15.7%	16.7%	17.7%	15.8%	17.9%	18.7%	15.4%

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 1,381,006	\$ 1,345,382	\$ 1,570,648	\$ 1,526,640	\$ 1,744,288	\$ 1,934,768	\$ 2,423,190	\$ 2,084,158	\$ 1,751,277	\$ 1,711,879
Contributions in Relation to the Contractually Required Contribution	(1,381,006)	(1,345,382)	(1,570,648)	(1,526,640)	(1,744,288)	(1,934,768)	(2,423,190)	(2,084,158)	(1,751,277)	(1,711,879)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	14,536,905	15,184,898	14,789,529	15,577,959	14,883,003	14,591,011	13,823,103	12,825,588	14,791,191	15,408,452
Contributions as a Percentage of Covered Payroll	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%	11.8%	11.1%

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	0.011307%	0.011779%	0.011687%	0.011723%	0.012602%	0.011476%	0.011996%
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 11,259	\$ 3,119,085	\$ 828,060	\$ 378,347	\$ 1,184,125	\$ 1,841,867	\$ 405,257
School District's Covered-Employee Payroll During the Measurement Period	3,803,362	3,870,736	3,607,151	3,374,841	3,586,065	3,072,260	3,190,275
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	0.3%	80.6%	23.0%	11.2%	33.0%	60.0%	12.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	0.089148%	0.088379%	0.094390%	0.092107%	0.093341%	0.090998%	0.085963%
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 2,463,390	\$ (2,296,104)	\$ (1,706,816)	\$ (700,107)	\$ 999,719	\$ (9,451,778)	\$ (9,575,723)
School District's Covered-Employee Payroll During the Measurement Period	15,184,898	14,789,529	15,577,959	14,883,003	14,591,011	13,823,103	12,825,588
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Payroll	16.2%	15.5%	11.0%	4.7%	6.9%	68.4%	74.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost	\$ 3,675,376	\$ 3,585,455	\$ 4,216,030	\$ 5,434,267	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	4,660,091	4,859,829	4,623,805	4,011,300	*	*	*	*	*	*
Changes of Benefit Terms	(2,310,879)	-	-	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	(48,242,957)	-	(2,111,447)	-	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	18,288,327	3,537,449	(4,665,687)	(16,452,678)	*	*	*	*	*	*
Benefit Payments	(4,535,615)	(4,472,718)	(4,115,620)	(4,050,386)	*	*	*	*	*	*
	(28,465,657)	7,510,015	(2,052,919)	(11,057,497)	*	*	*	*	*	*
Total OPEB Liability - Beginning	131,737,891	124,227,876	126,280,795	137,338,292	*	*	*	*	*	*
Total OPEB Liability - Ending	\$ 103,272,234	\$ 131,737,891	\$ 124,227,876	\$ 126,280,795	\$137,338,292	\$ *	\$ *	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 19,523,625	\$ 18,897,192	\$ 19,470,155	\$ 18,179,869	*	*	*	*	*	*
Total OPEB Liability as a Percentage of Covered Payroll	529%	697%	638%	695%	*	*	*	*	*	*
Discount Rate	2.21%	3.50%	3.87%	3.60%	2.85%	*	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable
and will be completed as it becomes available.

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 1 Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 54,190,263
Carryover Encumbrances	83,055
Original Budget	<u>54,273,318</u>
Additions	
Appropriated Reserves	164,503
Gifts and Donations	2,170
Insurance Recovery	<u>256</u>
Final Budget	<u><u>\$ 54,440,247</u></u>

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid and School Lunch). Budgetary controls for the Special Revenue Funds are established in accordance with the applicable grant agreements. Special Revenue Funds may also cover a period other than the School District's fiscal year.

Note 2 Reconciliation of the General Fund Budget Basis to U.S. GAAP

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2021.

Note 3 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period as noted on the Schedule of Changes in the School District's Total OPEB Liability and Related Ratios.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 4 **Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

The Schedule of the School District's Proportionate Share of the Net Pension Liability is required supplementary information. These schedules will present ten years of information as it becomes available from the pension plans.

Note 5 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

Changes of Assumptions

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSLRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.
Pensioner Mortality	Gender/Collar specific tables based upon FY 2011-2015 experience.
Mortality Improvement	Society of Actuaries Scale MP-2018.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSTRS

Changes in Benefit Terms

Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from \$179,000 to \$200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary may ultimately increase to \$250,000 phased in over the next two years.

Changes of Assumptions

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 7.1%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.3% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.5% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP-2014 to MP-2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSTRS – Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School District's Contributions reported for years prior to 2020, refer to the Annual Actuarial Report for two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.
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Asset Valuation Method	Five-year phased in deferred recognition of each year's net investment gain/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.
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Inflation	2.5%
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Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
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<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.5% compounded annually, net of investment expenses, including inflation.
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Cost of Living Adjustments	1.5% compounded annually.
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MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 54,190,263
Prior Year's Encumbrances	<u>83,055</u>
Original Budget	<u>54,273,318</u>
Budget Revisions:	
Appropriated Reserves	164,503
Gifts and Donations	2,170
Insurance Recovery	<u>256</u>
Total Additions	<u>166,929</u>
Final Budget	<u><u>\$ 54,440,247</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 Voter Approved Budget	<u><u>\$ 57,755,236</u></u>
Maximum Allowed (4% of the 2021-2022 Budget)	\$ 2,310,209
General Fund Fund Balance Subject to §1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,751,872
Unassigned Fund Balance	<u>2,047,619</u>
Total Unrestricted Fund Balance	<u>3,799,491</u>
Less:	
Appropriated Fund Balance	\$ 1,546,389
Encumbrances Included in Committed and Assigned Fund Balance	<u>205,483</u>
Total Adjustments	<u>1,751,872</u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	<u><u>\$ 2,047,619</u></u>
Actual Percentage	3.55%

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) June 30, 2021
			Prior Years	Current Year	Transfer to General Fund	Total			State Aid	Local Sources	Total	
Buses - 2020-2021	\$ 510,000	\$ 509,477	\$ -	\$ 509,477	\$ -	\$ 509,477	\$ -	\$ 33,150	\$ -	\$ 476,327	\$ 509,477	\$ -
District Wide												
SMART Schools Bond Act 7999-003	740,000	658,830	658,830	-	-	658,830	-	-	658,830	-	658,830	-
Senior High School												
Reconstruction 0010-023	126,000	126,000	120,416	-	-	120,416	5,584	-	270	120,146	120,416	-
Middle School												
Reconstruction 0015-016	348,000	397,185	421,422	-	-	421,422	(24,237)	-	-	421,422	421,422	-
District Wide												
7999-005	5,730,261	6,228,217	886,330	5,996,922	-	6,883,252	(655,035)	6,304,717	340,097	-	6,644,814	(238,438) *
Homer Brink Elementary												
Reconstruction 0001-018	9,843,160	9,333,160	1,464,255	5,555,619	-	7,019,874	2,313,286	1,134,571	-	1,447,002	2,581,573	(4,438,301) *
Homer Brink Elementary												
Reconstruction 0001-020	10,000	10,000	7,700	722,541	-	730,241	(720,241)	147,558	-	1,550	149,108	(581,133) *
Maine Memorial Elementary												
Reconstruction 0008-017	489,570	542,570	143,941	398,303	-	542,244	326	81,342	-	84,120	165,462	(376,782) *
Senior High School												
Reconstruction 0010-025	2,615,230	2,960,230	875,539	2,140,927	-	3,016,466	(56,236)	437,221	-	458,950	896,171	(2,120,295) *
Middle School												
Reconstruction 0015-017	1,646,090	1,731,090	358,539	879,444	-	1,237,983	493,107	179,600	-	268,386	447,986	(789,997) *
Bus Garage												
Project 5003-009	885,950	902,950	66,060	96,506	-	162,566	740,384	19,708	-	139,992	159,700	(2,866) *
Homer SMART Schools												
Bond Act 0008-018	100,000	100,000	100,000	24,062	-	124,062	(24,062)	-	-	100,000	100,000	(24,062)
Homer Brink Elementary												
Reconstruction 0001-019	1,218,758	1,218,758	90,780	19,903	-	110,683	1,108,075	-	-	100,000	100,000	(10,683) *
Unredeemed Bond Anticipation Notes -												
Construction Projects	-	-	-	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,000,000)
Unredeemed Bond Anticipation Notes -												
Buses	-	-	-	-	-	-	-	(1,487,680)	-	-	(1,487,680)	(1,487,680)
Total	\$24,263,019	\$ 24,718,467	\$ 5,193,812	\$ 16,343,704	\$ -	\$21,537,516	\$ 3,180,951	\$ 4,850,187	\$ 999,197	\$ 3,617,895	\$ 9,467,279	\$ (12,070,237)

*Architectural and State Approved Budget Modifications for Subproject
Reallocations not yet Finalized and Available at this Report Date.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets, Net	<u>\$ 97,131,759</u>
Add:	
Unamortized Deferred Refunding	<u>315,935</u>
Deduct:	
Bond Anticipation Notes	<u>(3,487,680)</u>
Unamortized Premium on Bonds Payable	<u>(1,868,005)</u>
Short-Term Portion of Bonds Payable	<u>(5,050,000)</u>
Long-Term Portion of Bonds Payable	<u>(23,320,000)</u>
Short-Term Portion of Installment Purchase Debt	<u>(363,433)</u>
Long-Term Portion of Installment Purchase Debt	<u>(5,941,284)</u>
Net Investment in Capital Assets	<u><u>\$ 57,417,292</u></u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds				Capital Projects - Bus Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund		
ASSETS						
Cash - Unrestricted	\$ 32,390	\$ -	\$ -	\$ -	\$ -	\$ 32,390
Cash - Restricted	-	21,972	77,370	389,359	-	488,701
Due from Other Funds	-	33,600	-	-	-	33,600
State and Federal Aid	771,054	353,182	-	-	-	1,124,236
Other Receivables	-	3,280	-	-	-	3,280
Inventories	-	47,160	-	-	-	47,160
Total Assets	\$ 803,444	\$ 459,194	\$ 77,370	\$389,359	\$ -	\$ 1,729,367
LIABILITIES						
Payables:						
Accounts Payable	\$ 15,298	\$ 10,131	\$ -	\$ -	\$ -	\$ 25,429
Accrued Liabilities	3,058	6,517	-	-	-	9,575
Due to Other Funds	497,191	-	-	-	-	497,191
Due to Other Governments	-	311	-	-	-	311
Bond Anticipation Notes Payable		-	-		1,487,680	1,487,680
Unearned Revenues	287,897	25,979	-	-	-	313,876
Total Liabilities	803,444	42,938	-	-	1,487,680	2,334,062
FUND BALANCES						
Nonspendable	-	47,160	-	-	-	47,160
Restricted	-	369,096	77,370	389,359	-	835,825
Unassigned	-	-	-	-	(1,487,680)	(1,487,680)
Total Fund Balances	-	416,256	77,370	389,359	(1,487,680)	(604,695)
Total Liabilities and Fund Balances	\$ 803,444	\$ 459,194	\$ 77,370	\$389,359	\$ -	\$ 1,729,367

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

	Special Revenue Funds				Capital Projects - Bus Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund		
REVENUES						
Use of Money and Property	\$ -	\$ 7	\$ 32	\$ 40	\$ -	\$ 79
Miscellaneous	7,469	3,507	27,900	-	-	38,876
State Sources	328,715	162,820	-	-	-	491,535
Federal Sources	1,079,903	1,518,195	-	-	-	2,598,098
Surplus Food	-	66,103	-	-	-	66,103
Sales - School Lunch	-	48,371	-	-	-	48,371
Total Revenues	1,416,087	1,799,003	27,932	40	-	3,243,062
EXPENDITURES						
Instruction	1,274,845	654,087	10,550	-	-	1,939,482
Pupil Transportation	27,918	-	-	-	-	27,918
Employee Benefits	145,968	264,882	-	-	-	410,850
Cost of Sales	-	523,838	-	-	-	523,838
Capital Outlay	-	-	-	-	509,477	509,477
Total Expenditures	1,448,731	1,442,807	10,550	-	509,477	3,411,565
Excess of Expenditures Over Revenues	(32,644)	356,196	17,382	40	(509,477)	(168,503)
OTHER FINANCING SOURCES AND (USES)						
Redeemed From Appropriations	-	-	-	-	476,327	476,327
Premium on Obligations	-	-	-	45,664	-	45,664
Operating Transfers In	32,644	37	-	-	-	32,681
Total Other Sources (Uses)	32,644	37	-	45,664	476,327	554,672
Net Change in Fund Balances	-	356,233	17,382	45,704	(33,150)	386,169
Fund Balances - Beginning of Year	-	60,023	59,988	343,655	(1,454,530)	(990,864)
Fund Balances - End of Year	\$ -	\$ 416,256	\$ 77,370	\$ 389,359	\$ (1,487,680)	\$ (604,695)



**INDEPENDENT AUDITORS' 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**

Board of Education
Maine-Endwell Central School District
Endwell, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maine-Endwell Central School District (the 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 October 7, 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. 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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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 7, 2021



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

Board of Education
Maine-Endwell Central School District
Endwell, New York

Report on Compliance for Each Major Federal Program

We have audited Maine-Endwell Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of Auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 7, 2021

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass - Through Grantor Program Title</u>	<u>Federal CFDA #</u>	<u>Pass - Through Grantor #</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Education				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021-21-0170	\$ -	\$ 319,630
Title III Strengthening Institutions	84.031	0149-21-0170	-	35,128
Special Education Cluster:				
Special Education - Grants to States	84.027	0032-21-0056	-	612,829
Special Education - Preschool Grants	84.173	0033-21-0056	-	20,223
Total Special Education Cluster			-	633,052
Improving Teacher Quality State Grants	84.367	0147-21-0170	-	70,999
Title IV Student Support and Academic Enrichment Program	84.424	0204-21-0170	-	21,094
Total U.S. Department of Education			-	1,079,903
U.S. Department of Agriculture				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
COVID-19-Summer Food Service Program	10.559	(1)	-	1,584,298
Total Child Nutrition Cluster			-	1,584,298
Total U.S. Department of Agriculture			-	1,584,298
Total Expenditures of Federal Awards			\$ -	\$ 2,664,201

(1) Unknown

See Notes to Schedule of Expenditures of Federal Awards

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Maine-Endwell Central School District, an entity as defined in Note 1 to the Maine-Endwell Central School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in preparation of the financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Maine-Endwell Central School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs, i.e., the Maine-Endwell Central School District's share of certain program costs, are not included in the reported expenditures.

Note 5 **Non-Monetary Federal Program**

The Maine-Endwell Central School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2021, the Maine-Endwell Central School District received \$66,103 worth of commodities under the Summer Food Service Program (CFDA #10.559).

Note 6 **Subrecipients**

No amounts were provided to subrecipients.

Note 7 **Other Disclosures**

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

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes √ no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? yes √ none reported

Noncompliance material to financial statements noted? yes √ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes √ no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? yes √ none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? yes √ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B
Programs: \$ 750,000

Auditee qualified as low-risk? √ yes no

Section II Financial Statement Finding None

Section III Federal Award Findings and Questioned Costs None