

GREENVILLE CENTRAL SCHOOL DISTRICT

**Financial Statements as of
June 30, 2019
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

GREENVILLE CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

September 11, 2019

To the Board of Education of
GREENVILLE CENTRAL SCHOOL DISTRICT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greenville Central School District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Greenville Central School District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and schedules of proportionate share of net pension liability (asset) and contributions – pension plans and changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other information as required by the New York State Education Department and the combining and individual nonmajor fund financial statements, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2019

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2019. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed, as well as a comparative analysis to prior year information. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the District was \$(23,708,236).
- Government-wide net position was \$282,596 less than at July 1, 2018.
- The decrease in the net OPEB (Other Post-Employment Benefits) liability in this fiscal year was \$15,361,068.

OVERVIEW OF THE FINANCIAL STATEMENTS

- This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:
- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operation in more detail than the entity-wide statements.
- The governmental fund statements tell how basic services such as instruction and support functions were financed in the short-term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

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

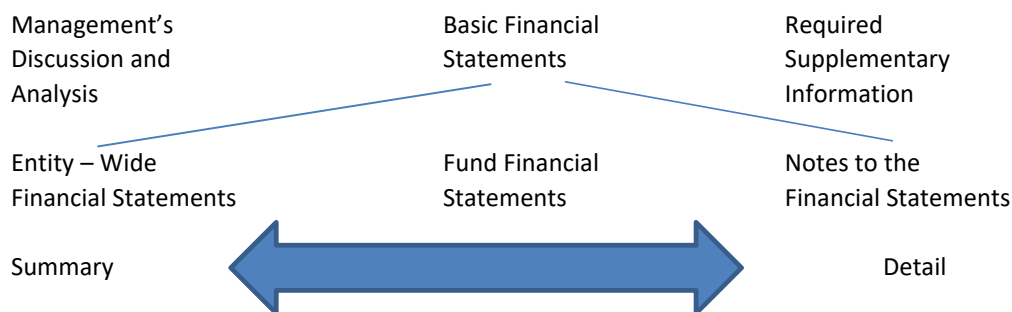


Table A – 2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

District-Wide Statements

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

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

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

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

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Fund Financial Statements

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

The 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 can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital projects fund and the debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and 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. Fiduciary fund reporting focuses on net position and changes in net position.

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position as of June 30, 2019 are detailed in Tables A-3 and A-4.

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

	Fiscal Year <u>2019</u>	Fiscal Year <u>2018</u>	Percent <u>Change</u>
Current and other assets	\$ 13,591	\$ 7,951	70.9%
Non current assets	<u>30,621</u>	<u>27,172</u>	<u>12.7%</u>
Total assets	<u>44,212</u>	<u>35,123</u>	<u>25.9%</u>
Deferred outflows of resources	<u>7,089</u>	<u>8,023</u>	<u>-11.6%</u>
Current liabilities	3,595	2,985	20.4%
Long-term liabilities	<u>53,058</u>	<u>60,730</u>	<u>-12.6%</u>
Total liabilities	<u>56,653</u>	<u>63,715</u>	<u>-11.1%</u>
Deferred inflows of resources	<u>18,357</u>	<u>2,857</u>	<u>542.5%</u>
Net position:			
Investment in capital assets	10,749	15,291	-29.7%
Restricted	7,576	3,616	109.5%
Unrestricted	<u>(42,033)</u>	<u>(42,333)</u>	<u>-0.7%</u>
Total net position	<u>\$ (23,708)</u>	<u>\$ (23,426)</u>	<u>1.2%</u>

During 2019, the District's net position decreased by \$282,596. (See Table A-3).

Deferred outflows of resources relate primarily to the pension contributions made after the plan measurement date.

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

Deferred Inflows of Resources relate primarily to the GASB 68 and GASB 75 deferred activity which is detailed in the accompanying notes.

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Changes in Net Position

The District's fiscal year 2019 revenue totaled \$33,297,909 (see Table A-4). Property taxes and state aid accounted for most of the District's revenue by contributing 51% and 40% respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, (intermunicipal agreements) and tuition for foster students, interest earnings, Federal sources, Medicaid reimbursement, and other miscellaneous sources.

The total cost of all programs and services totaled \$33,580,505 in 2019. 85% of this amount is used predominantly to support general instruction, the provision of services to students with disabilities, and student transportation (see Table A-6). The District's Board of Education, administrative, and business activities accounted for 15% of total costs.

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

	Fiscal Year <u>2019</u>	Fiscal Year <u>2018</u>	Percent <u>Change</u>
<u>Revenue</u>			
Charges for services	\$ 628	\$ 574	9.3%
Operating grants	1,274	1,164	9.5%
General revenue:			
Real property taxes and other tax items	16,905	16,577	2.0%
Use of money and property	132	22	501.5%
Sale of property/compensation for loss	5	1	414.6%
State sources	13,316	12,221	9.0%
Food sales and surplus	230	224	2.5%
Other	<u>808</u>	<u>394</u>	<u>105.1%</u>
Total revenue	<u>33,298</u>	<u>31,177</u>	<u>6.8%</u>
<u>Expenses</u>			
General support	4,467	4,752	-6.0%
Instruction	26,030	26,858	-3.1%
Pupil transportation	2,339	2,308	1.3%
Debt service	268	275	-2.4%
School lunch program	<u>477</u>	<u>513</u>	<u>-7.1%</u>
Total expenses	<u>33,581</u>	<u>34,706</u>	<u>-3.2%</u>
Decrease in net position	<u>\$ (283)</u>	<u>\$ (3,529)</u>	<u>-92.0%</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

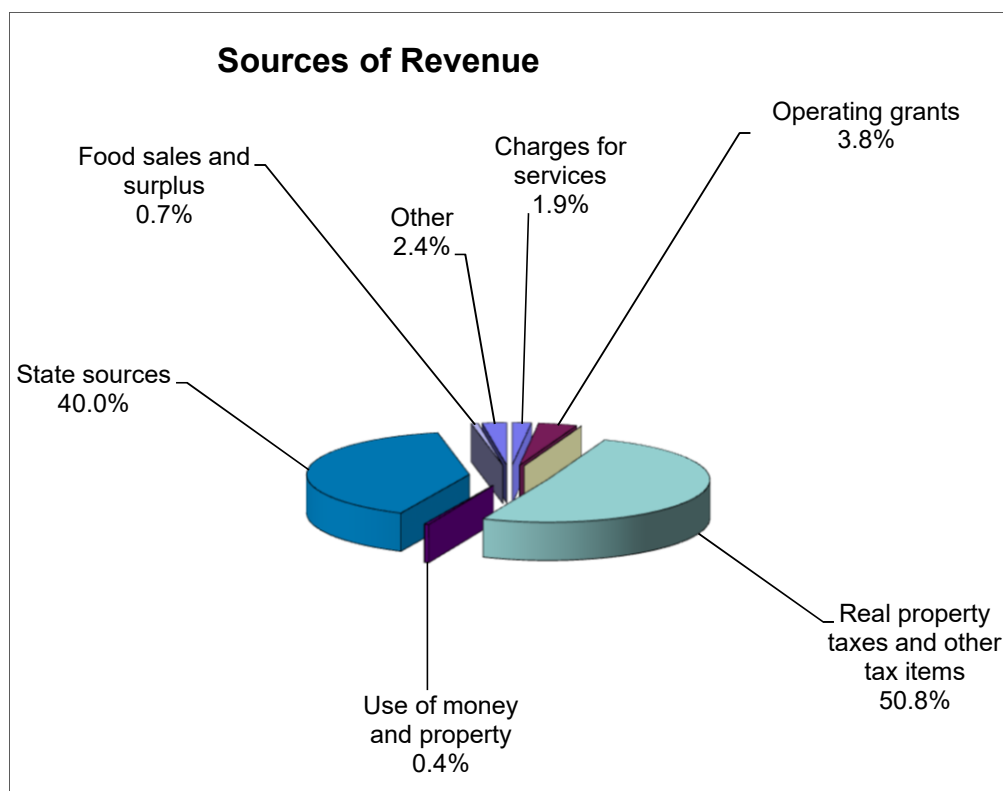
Significant changes in revenue from 2017/2018 to 2018/2019 school year include:

- Increase in real property taxes and other tax items of approximately \$328 thousand.
- Increase in tuition from other districts of approximately \$54 thousand.
- Increase in total state aid of approximately \$1.095 million (Smart Schools Bond Act allocation was \$1.007 million).
- Interest rates on deposits increased during the school year, increasing use of money and property by \$110 thousand.

Significant changes in Expenditures from 2017/2018 to 2018/2019 school year include:

- Contractual salary increases and related payroll expenses (i.e., Social Security).
- Increase in the cost of health insurance
- Salary and benefit costs offset by retirements.

Table A-5 Sources of Revenue for Fiscal Year 2019:

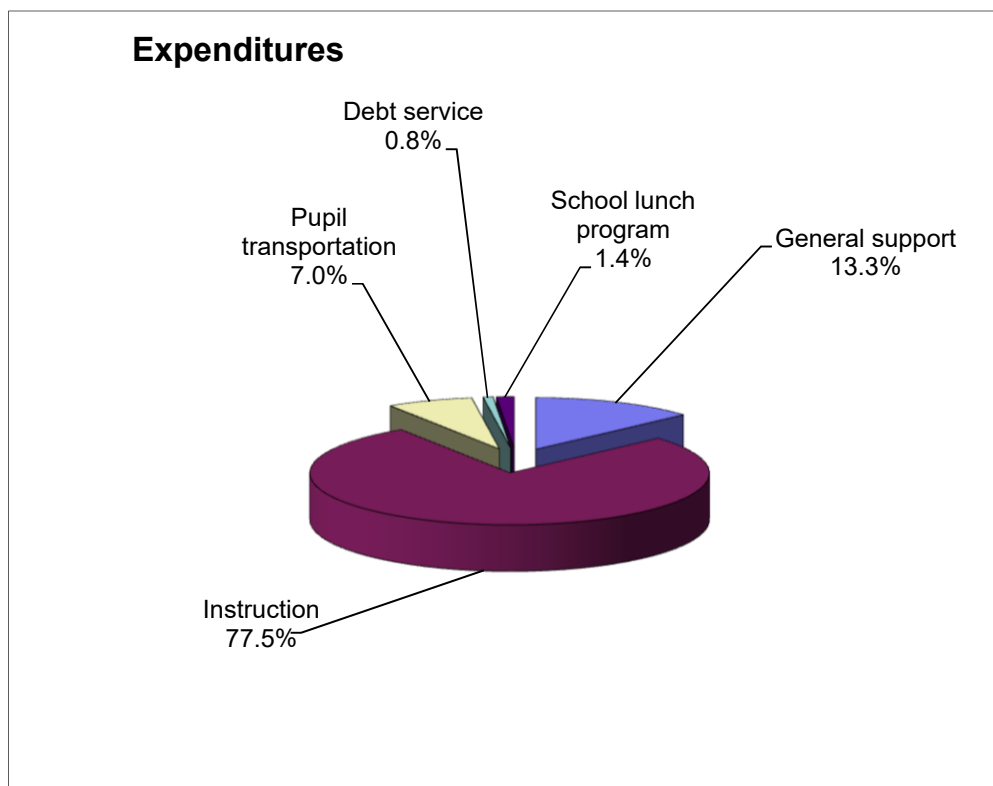


GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Table A-6 Expenditures for Fiscal Year 2019:



Governmental Activities

Revenue for the District's governmental activities totaled \$33,297,909 or 6.8% more than the previous fiscal year. Total expenses equaled \$33,580,505 or 3.2% less than the previous fiscal year. The net result of the change in the District's financial condition can be credited to:

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Table A-7 Net Cost of Governmental Activities

<u>Category</u>	<u>2019</u>		<u>2018</u>	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
General support	\$ 4,467	\$ 4,467	\$ 4,752	\$ 4,752
Instruction	26,030	24,342	26,858	25,329
Pupil transportation	2,339	2,339	2,308	2,308
Debt service	268	268	275	275
School lunch	477	33	513	81
Total	<u>\$ 33,581</u>	<u>\$ 31,449</u>	<u>\$ 34,706</u>	<u>\$ 32,745</u>

- The total cost of all governmental activities this year was \$33,580,505.
- The users of the District's programs financed \$857,348 of the cost.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$1,274,133.
- Most of the District's net costs, \$31,449,024, were financed by taxpayers and state aid.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Governmental Funds Highlights

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

- The Districts unassigned fund balance: Remained at 3.93% - \$1,191,995 (June 30, 2018) to \$1,232,149 (June 30, 2019). The fiscal importance of a favorable fund balance at the end of the year has a major impact on both the computation of the tax levy, meeting emergencies, bond rating and cash flow.
- This funding source should not be used for an expense that cannot be sustained. The funding is projected to be needed to support the budgets in the coming years.

Fund Balance – Restricted (June 30, 2019 Balances)

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

Workers Compensation Reserve	\$ 80,976
Reserve for Employee Benefits and Accrued Liabilities	191,822
Reserve for Retirement Contributions	578,509
Unemployment Reserve	187,862
Debt Service Reserve	377,076
Capital Reserve	<u>6,159,405</u>
Total	<u>\$ 7,575,650</u>

Special Aid Fund – During this period (2017/2018 to 2018/2019), State and Federal Aid reported in the Special Aid Fund showed an increase of \$105,244. Most of the district's state and federal grant allocations increased from the previous year. The Federal grants (Title I, IDEA etc.) help to offset the cost of salary and benefits.

School Lunch Fund –

The School lunch fund for the 2018/2019 started with a positive fund balance of \$94,755. Food service ended with a total profit of \$12,992. The year-end fund balance is \$107,767. The District has not budgeted a subsidy to the School Lunch fund since the 2017/2018 school year and has been self-sufficient with the assistance of federal and state funding.

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

Capital Projects Fund -

The district reduced its annual budget line item from \$320,000 to \$50,000 for annual capital improvements (2018/2019 budget). For the 2019/2020 school year, this line item has been increased to \$123,000. The 2019/2020 budgeted capital project includes the demolition of a modular building and installation of a new pavilion in its place at the Scott M. Ellis Elementary School. A scheduled completion date is currently under review, but estimated to be completed by June of 2020.

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

General Fund Budgetary Highlights

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

Revenue Variances

- Charges for services (revenues) were \$292,359 more than budgeted due to increase in Day school tuition (inter-municipal agreements with other school districts).
- Miscellaneous revenues were \$554,754 more than budgeted due to a additional revenues recieved from Medicare subsidy's, health insurance and prescription drug refunds, special education student related services revenue and health services.
- Total State aid was over budget in the amount of \$112,274 based on expenditures from the prior year (increases in Building aid, Transportation aid, and BOCES aid). The increase in Building aid reflects the aidable portion from the additional capital work completed in the summer of 2018.
- Interest rates on deposits have increased between 1.00-1.80% during the school year, leading to a significant increase in interest and earnings revenues.

Expenditure Variances

- General expenditures and year-end encumbrances were \$561,120 less than what was budgeted. With the revenue coming in higher than budgeted the District was able to transfer funds for District renovations, paving, furniture and to increase the capital budget for a future Building Condition Survey.

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2019

Capital Assets

By the end of 2019, the District had an investment of \$29,428,935 in a broad range of capital assets.

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

<u>Category</u>	Fiscal Year <u>2019</u>	Fiscal Year <u>2018</u>	Percent <u>Change</u>
Land	\$ 158	\$ 157	0.6%
Construction in progress	5,150	1,841	179.7%
Buildings and land improvements	21,714	22,870	-5.1%
Furniture and equipment	1,140	966	18.0%
Vehicles	<u>1,269</u>	<u>838</u>	<u>51.4%</u>
Total	<u>\$ 29,430</u>	<u>\$ 26,672</u>	<u>10.3%</u>

Long-Term Liabilities

At year-end, the District had \$53,058,350 of long-term liabilities outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table A-9: Outstanding Long-Term Liabilities

<u>Category</u>	Fiscal Year <u>2019</u>	Fiscal Year <u>2018</u>
General obligation bonds	\$ 16,815	\$ 10,065
Other post employment benefits	34,759	50,120
Other long-term liabilities	<u>1,484</u>	<u>545</u>
Total	<u>\$ 53,058</u>	<u>\$ 60,730</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2019

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

The District's long term budget goal is to reduce the reliance of Appropriated Fund balance in future years. The District was able to allocate \$37,648 less in appropriated fund balance for the 2018/2019 school year. For the 2019/2020 school year, the district allocated as a one time revenue source, \$67,335 more in appropriated fund balance to fund elementary school playground improvements and future years appropriated fund balance will continue to be reduced.

The cost of Health Insurance continues to increase even though the rates of the RCG Health Insurance Trust have remained relatively stable over the last few years due to changes in our prescription drug provider and moving from the PPO 812 to the PPO 815 plan as our base plan.

Post-retirement (Health Care) costs will continue to increase.

For the 2020/2021 school year, four solar PILOTs will impact the tax cap calculation as the amount of taxes received from taxpayers will be reduced by the revenue received from the solar PILOTs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash - Unrestricted	\$ 6,178,025
Cash - Restricted	6,369,240
State and federal aid receivable	976,640
Accounts receivable	52,953
Due from fiduciary fund	3,216
Inventories	11,092
Total current assets	13,591,166

NON CURRENT ASSETS:

Net pension asset - TRS	1,192,011
Capital assets, net	29,428,935
Total non current assets	30,620,946

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources - pensions	7,089,330
Total deferred outflows of resources	7,089,330

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

51,301,442

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	769,881
Accrued interest	18,268
Due to other governments	63,806
Due to Teachers' Retirement System	1,220,963
Due to Employees' Retirement System	140,419
Unearned revenue	6,475
Current portion of long-term debt	1,375,000
Total current liabilities	3,594,812

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	16,815,000
Unamortized bonds premium-net of bonds payable	490,113
Net pension liability	818,623
Total Other post-employment benefits	34,759,047
Compensated absences	175,567
Total long-term liabilities	53,058,350

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources - Other post-employment benefits payable	16,589,687
Deferred inflows of resources - pensions	1,766,829
Total deferred inflows of resources	18,356,516

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

75,009,678

NET POSITION

Net Investment in capital assets	10,748,822
Restricted	7,575,650
Unrestricted	(42,032,708)
TOTAL NET POSITION	\$ (23,708,236)

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Statement of Activities For the year ended June 30, 2019

		Program Revenue		Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	\$ 4,467,192	\$ -	\$ -	\$ (4,467,192)
Instruction	26,029,562	627,664	1,060,191	(24,341,707)
Pupil transportation	2,338,638	-	-	(2,338,638)
Debt service - Interest	268,366	-	-	(268,366)
School lunch program	476,747	229,684	213,942	(33,121)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 33,580,505</u>	<u>\$ 857,348</u>	<u>\$ 1,274,133</u>	<u>(31,449,024)</u>
GENERAL REVENUE:				
Real property taxes				15,217,426
Other tax items				1,687,431
Use of money and property				132,340
Sale of property and compensation for loss				5,146
Miscellaneous				776,760
Medicaid Reimbursement				31,284
State sources				<u>13,316,041</u>
TOTAL GENERAL REVENUE				<u>31,166,428</u>
CHANGE IN NET POSITION				(282,596)
TOTAL NET POSITION - beginning of year				<u>(23,425,640)</u>
TOTAL NET POSITION - end of year				<u>\$ (23,708,236)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**Balance Sheets - Governmental Funds and Reconciliation of Governmental Fund Balances to Government-wide
Financial Position
June 30, 2019**

	Governmental Fund Types			Total
	General	Capital Projects	Non-Major Funds	Governmental Funds
ASSETS				
Cash - Unrestricted	\$ 4,379,781	\$ -	\$ 99,136	\$ 4,478,917
Cash - Restricted	1,699,108	6,369,240	-	8,068,348
Accounts receivable	52,251	-	702	52,953
Due from other funds	251,070	-	377,076	628,146
State and federal aid receivable	719,414	-	257,226	976,640
Inventory	-	-	11,092	11,092
TOTAL ASSETS	\$ 7,101,624	\$ 6,369,240	\$ 745,232	\$ 14,216,096
LIABILITIES				
Accounts payable and accrued liabilities	\$ 271,769	\$ 492,698	\$ 5,414	\$ 769,881
Due to other funds	-	377,076	247,854	624,930
Due to other governments	63,160	-	646	63,806
Due to Teachers' Retirement System	1,220,963	-	-	1,220,963
Due to Employees' Retirement System	140,419	-	-	140,419
Unearned revenue	-	-	6,475	6,475
TOTAL LIABILITIES	1,696,311	869,774	260,389	2,826,474
FUND BALANCES				
Nonspendable				
Inventory	-	-	11,092	11,092
Restricted				
Workers compensation	80,976	-	-	80,976
Employee benefit liability	191,822	-	-	191,822
Retirement	578,509	-	-	578,509
Unemployment	187,862	-	-	187,862
Debt service	-	-	377,076	377,076
Capital	659,939	5,499,466	-	6,159,405
Total restricted fund balance	1,699,108	5,499,466	377,076	7,575,650
Assigned				
Other	1,664,361	-	96,675	1,761,036
Appropriated for subsequent years expenditures	809,695	-	-	809,695
Total assigned fund balance	2,474,056	-	96,675	2,570,731
Unassigned	1,232,149	-	-	1,232,149
TOTAL FUND BALANCES	5,405,313	5,499,466	484,843	11,389,622
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,101,624	\$ 6,369,240	\$ 745,232	\$ 14,216,096

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

Total governmental fund balances per above.	\$ 11,389,622
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,428,935
GASB 68 related government wide activity	
Net pension asset	1,192,011
Deferred outflows or resources	7,089,330
Net pension liability	(818,623)
Deferred inflows of resources	(1,766,829)
GASB 75 related government wide activity	
Deferred inflows of resources	(16,589,687)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,855,680)
Other post-employment benefits liability	(34,759,047)
Interest payable at end of year, in the government-wide statements under full accrual accounting.	(18,268)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (23,708,236)

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
For the year ended June 30, 2019

	Governmental Fund Types			Total Governmental Funds
	General	Capital Projects	Non-Major Funds	
REVENUE:				
Real property taxes	\$ 15,217,426	\$ -	\$ -	\$ 15,217,426
Other tax items	1,687,431	-	-	1,687,431
Charges for services	627,664	-	-	627,664
Use of money and property	131,533	-	807	132,340
Sale of property and compensation for loss	5,146	-	-	5,146
Miscellaneous	771,707	-	5,053	776,760
State sources	12,308,658	1,007,383	419,475	13,735,516
Federal sources	31,284	-	854,658	885,942
Sales - School lunch	-	-	229,684	229,684
Total revenue	<u>30,780,849</u>	<u>1,007,383</u>	<u>1,509,677</u>	<u>33,297,909</u>
EXPENDITURES:				
General support	3,545,578	-	-	3,545,578
Instruction	15,126,964	-	1,053,554	16,180,518
Pupil transportation	1,636,601	-	72,208	1,708,809
Employee benefits	6,641,309	-	85,075	6,726,384
Debt service - Principal	1,590,000	-	-	1,590,000
Debt service - Interest	267,050	-	-	267,050
Cost of sales	-	-	350,770	350,770
Capital outlay	-	6,726,698	-	6,726,698
Total expenditures	<u>28,807,502</u>	<u>6,726,698</u>	<u>1,561,607</u>	<u>37,095,807</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,973,347</u>	<u>(5,719,315)</u>	<u>(51,930)</u>	<u>(3,797,898)</u>
OTHER SOURCES AND (USES):				
Proceeds from issuance of debt	-	8,125,000	-	8,125,000
Proceeds from premium on debt	-	-	490,113	490,113
BANs redeemed from appropriations	-	275,000	-	275,000
Operating transfers in	-	360,500	65,571	426,071
Operating transfers (out)	(186,071)	-	(240,000)	(426,071)
Total other sources (uses)	<u>(186,071)</u>	<u>8,760,500</u>	<u>315,684</u>	<u>8,890,113</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>1,787,276</u>	<u>3,041,185</u>	<u>263,754</u>	<u>5,092,215</u>
FUND BALANCE (DEFICIT) - beginning of year	<u>3,618,037</u>	<u>2,458,281</u>	<u>221,089</u>	<u>6,297,407</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 5,405,313</u>	<u>\$ 5,499,466</u>	<u>\$ 484,843</u>	<u>\$ 11,389,622</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance to the Statement of Activities For the year ended June 30, 2019

Net changes in fund balance - Total governmental funds	\$ 5,092,215
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position, net of disposals	4,399,379
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities, net of gain on sale	(1,641,900)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	89,583
Proceeds of long-term debt are recorded as revenue in the governmental funds, but are recorded as increases in debt in the statement of net position.	(8,125,000)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,315,000
Proceeds of premiums on long-term debt are recorded as revenue in the governmental funds, but are recorded as increases in unamortized premiums in the statement of net position.	(490,113)
Accrued interest expense does not require the expenditure of current resources and is, but are recorded as payments of liabilities in the statement of net position.	(1,316)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	2,975
Accrued post-employment benefits do not require the expenditure of current resources and are, therefore are not reported as expenditures in the governmental funds.	<u>(923,419)</u>
Change in net position - Governmental activities	<u>\$ (282,596)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Statement of Net Position - Fiduciary Funds

June 30, 2019

	Private Purpose Trusts	Agency
ASSETS:		
Cash - unrestricted	\$ -	\$ 610,869
Cash - restricted	9,058	104,847
Total assets	<u>\$ 9,058</u>	<u>\$ 715,716</u>
LIABILITIES:		
Extraclassroom activity balances	\$ -	\$ 104,847
Due to other funds	-	3,216
Other liabilities	-	607,653
Total liabilities	<u>\$ -</u>	<u>\$ 715,716</u>
FINANCIAL POSITION:		
Restricted for private purposes	<u>\$ 9,058</u>	

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Statement of Changes in Net Position - Fiduciary Funds For the year ended June 30, 2019

	Private Purpose Trusts
	<hr/>
ADDITIONS:	
Contributions	\$ 216
Interest	<u>19</u>
Total Additions	235
DEDUCTIONS:	
Scholarships and other private purposes	<u>650</u>
NET DECREASE	(415)
NET POSITION - beginning of year	<u>9,473</u>
NET POSITION - end of year	<u><u>\$ 9,058</u></u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

1. NATURE OF OPERATIONS

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

Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

- **Extraclassroom Activity Funds**

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

Joint Venture

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

During the year, the District was billed \$2,166,586 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$925,803.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

District-Wide Statements

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Fund Financial Statements

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

The District reports the following major governmental funds:

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

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following non-major governmental funds:

Special Revenue Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

- **Special Aid Fund:** Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.
- **School Lunch Fund:** This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Debt Service Fund - This fund accounts for the accumulation of resources to be used for the redemption of principal and interest on long term debt.

Fiduciary Funds

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

There are two classes of fiduciary funds:

- **Private purpose trust funds** - These funds are used to account for trust arrangements in which principal and income are used to fund annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.
- **Agency funds** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District solely as an agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the 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 fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The district considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year.

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

Cash

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

Restricted Cash

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

Accounts Receivable

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Property Taxes

Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31. Taxes not collected by October 31 are turned over to the County who assumes all responsibility for collection.

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

Inventory and Prepaid Items

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

Interfund Transactions

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

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

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Capital Assets

In the District-wide financial statements, capital assets are accounted for at actual cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

	Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	\$ 5,000	SL	15 - 20 years
Furniture and equipment	\$ 5,000	SL	5 - 25 years
Infrastructure	\$ 5,000	SL	65 years

Vested Employee Benefits

Compensated absences consist of unpaid accumulated annual sick leave or vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

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

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

Other Benefits

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

Deferred Outflows and Inflows of Resources

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

Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Short Term Debt

The 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 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.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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 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.

Restricted Resources

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

District-wide Statements - Equity Classifications

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

Governmental Fund Financial Statements - Equity classifications

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

Capital reserve

According to Education Law §3651, this reserve must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. The reserve is accounted for in the general fund under restricted fund balance.

Reserve for Debt Service

According to General Municipal Law §6-l, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here. The reserve is accounted for in the general fund under restricted fund balance.

Repair

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

Employee Benefit Accrued Liability Reserve

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Insurance Reserve

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

Liability Reserve

According to General Municipal Law § 1709(8)(c), this reserve must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This reserve is accounted for in the general fund under restricted fund balance.

Tax Certiorari

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

Retirement Contribution

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

Workers' Compensation

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Unemployment Insurance Reserve

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

Reserve for Tax Reduction

This reserve (EL §1604, §1709) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. This reserve is accounted for in the general fund under restricted fund balance.

Reserve for Insurance Recoveries

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund under restricted fund balance.

Encumbrances

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

Restricted fund balance includes the following:

General Fund:

Workers' Compensation	\$	80,976
Unemployment insurance		187,862
Retirement contribution		578,509
Employee benefit accrued liability		191,822
Capital		<u>659,939</u>
Total restricted cash and cash equivalents	\$	<u>1,699,108</u>
Debt Service Fund		377,076
Capital Projects Fund		5,499,466

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, the BOE. The District has no committed fund balances as of June 30, 2019.

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as assigned fund balance in the General fund. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

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

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

Order of Fund Balance Spending Policy

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

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

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

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

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

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

- **Long Term Revenue and Expense Differences**
Long-term revenue differences arise because governmental funds report revenue only when it is considered "available," whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- **Capital Related Differences**
Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
- **Long Term Debt Transaction Differences**
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.
- **Pension Differences**
Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.
- **OPEB Differences**
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Budgets

The District administration prepares a proposed budget for approval by the Board Of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line item level.

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

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2019.

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

Encumbrances

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

Fund Balance

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

5. CASH

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

The District's aggregate bank balances of \$14,649,860 not covered by depository insurance at year-end, were fully collateralized.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$8,445,424 within the governmental funds and \$113,905 in the fiduciary funds.

6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Balance 7/1/2018	Additions	Deletions	Adjustments	Balance 6/30/2019
Governmental activities:					
Capital assets that are not depreciated:					
Land	\$ 156,623	\$ -	\$ -	\$ -	\$ 156,623
Construction in progress	1,840,892	4,668,095	-	(1,359,205)	5,149,782
Total nondepreciable cost	1,997,515	4,668,095	-	(1,359,205)	5,306,405
Capital assets that are depreciated:					
Buildings and improvements	42,945,387	15,307	-	(42,656)	42,918,038
Furniture and equipment	2,842,032	290,149	46,543	46,444	3,132,082
Vehicles	3,174,894	599	56,935	928,793	4,047,351
Total depreciable historical cost	48,962,313	306,055	103,478	932,581	50,097,471
Less accumulated depreciation:					
Buildings and improvements	20,075,312	1,087,303	-	41,393	21,204,008
Furniture and equipment	1,875,869	193,632	36,133	(41,027)	1,992,341
Vehicles	2,337,190	360,965	56,935	137,371	2,778,591
Total accumulated depreciation	24,288,371	1,641,900	93,068	137,737	25,974,940
Total depreciable cost - net	24,673,942	(1,335,845)	10,410	794,844	24,122,531
Total capital assets, net	\$ 26,671,457	\$ 3,332,250	\$ 10,410	\$ (564,361)	\$ 29,428,936

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Depreciation expense for the year ended June 30, 2019, was allocated to specific functions as follows:

General support	\$ 164,190
Instruction	1,346,358
Pupil transportation	98,514
Cost of goods sold	32,838
Total depreciation	<u>\$ 1,641,900</u>

7. SHORT-TERM DEBT

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

	Maturity	Stated Interest	Beginning Balance	Issued	Redeemed	Ending Balance
		Rate				
BAN	6/28/2019	2.50%	-	\$ 2,000,000	\$ 2,000,000	\$ -

8. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General	\$ 251,070	\$ -	\$ -	\$ 186,071
Special Aid	-	236,637	65,571	-
School Lunch	-	11,217	-	-
Capital Projects	-	377,076	360,500	-
Debt Service	377,076	-	-	240,000
Fiduciary	-	3,216	-	-
Total	<u>\$ 628,146</u>	<u>\$ 628,146</u>	<u>\$ 426,071</u>	<u>\$ 426,071</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

9. LONG-TERM OBLIGATIONS

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

	Balance 7/1/2018	Additions	Deletions {a}	Balance 6/30/2019	Due Within One Year
Bonds:					
Serial bonds payable	\$ 11,380,000	\$ 8,125,000	\$ 1,315,000	\$ 18,190,000	\$ 1,375,000
Other liabilities:					
Compensated absences	\$ 178,542	\$ -	\$ 2,975	\$ 175,567	\$ -

{a} - Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

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

Interest on all debt for the year was composed of:

Interest paid	\$ 267,050
Less: Interest accrued in the prior year	(16,952)
Plus: Interest accrued in the current year	18,268
Total interest expense	\$ 268,366

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

Bond Issue	Issued	Maturity	Interest Rate	6/30/19 Balance
Serial Bond	2009	2028	0.95%	\$ 665,000
Serial Bond	2013	2022	2.00%	200,000
Serial Bond	2013	2031	2.00%	1,735,000
Serial Bond	2016	2036	2.00%	6,850,000
Serial Bond	2017	2022	1.75%	615,000
Serial Bond	2019	2035	3.00%	8,125,000
Total bond issue				\$ 18,190,000

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

The following is a summary of the maturity of long-term indebtedness as of June 30, 2019:

	Principal	Interest	Total
2020	\$ 1,375,000	\$ 464,596	\$ 1,839,596
2021	1,625,000	442,043	2,067,043
2022	1,595,000	404,471	1,999,471
2023	1,405,000	367,103	1,772,103
2024	1,110,000	332,965	1,442,965
2025-2029	5,890,000	1,216,725	7,106,725
2030-2034	4,590,000	455,200	5,045,200
2035-2036	600,000	20,100	620,100
Totals	<u>\$ 18,190,000</u>	<u>\$ 3,703,203</u>	<u>\$ 21,893,203</u>

10. PENSION PLANS

New York State Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 New York State Retirement and Social Security Law (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 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, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2019	\$ 468,278
2018	\$ 486,272
2017	\$ 447,778

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

At June 30, 2019, the District reported a net pension liability of \$818,623 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019, the District's proportionate share was .0115538% percent, which was an increase of .000201% from its proportionate share measured at June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$565,634. At June 30, 2019, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,204	\$ 54,953
Changes of assumptions	205,768	-
Net difference between projected and actual earnings on pension plan investments	-	210,104
Changes in proportion and differences between the District's contributions and proportionate share of contributions	98,226	1,089
Contributions subsequent to the measurement date	140,419	-
Total	<u>\$ 605,617</u>	<u>\$ 266,146</u>

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

Plan's Year Ended March 31:

2020	\$ 214,564
2021	(136,483)
2022	5,301
2023	115,670
2024	-
Thereafter	-
	<u>\$ 199,052</u>

The District recognized \$140,419 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2019 which will be recognized on a reduction of the net pension liability in the year ended June 30, 2020.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.2% indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

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

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

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic equity	36.0	4.55
International equity	14.0	6.35
Private equity	10.0	7.50
Real estate	10.0	5.55
Absolute return	2.0	3.75
Opportunistic portfolio	3.0	5.68
Real asset	3.0	5.29
Bonds, cash & mortgages	17.0	1.31
Cash	1.0	-0.25
Inflation indexed bonds	<u>4.0</u>	1.25
	<u>100%</u>	

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate Share of Net Pension liability (asset)	<u>\$ 3,579,151</u>	<u>\$ 818,623</u>	<u>\$ (1,500,416)</u>

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability (in 000's) of the employers as of March 31, 2019, were as follows:

Total pension liability	\$ 189,803,429
Net position	<u>182,718,124</u>
Net pension liability (asset)	\$ 7,085,305
ERS net position as a percentage of total pension liability	96.27%

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

New York State Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer 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. 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, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report and/or the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer, which can be found on the System's website at www.nystrs.org.

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

Contributions

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

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

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

		<u>TRS</u>
2019	\$	1,157,058
2018	\$	1,052,290
2017	\$	1,223,024

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

At June 30, 2019, the District reported a net pension asset of \$1,192,011 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2017. The District's proportion of the net pension asset was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019 the District's proportionate share was 0.065920%, which was an increase of 0.000068% from its proportionate share measured at June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$917,277. At June 30, 2019 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 890,780	\$ 161,355
Changes of assumptions	4,166,859	-
Net difference between projected and actual earnings on pension plan investments	-	1,323,223
Changes in proportion and differences between the District's contributions and proportionate share of contributions	205,111	16,105
Contributions subsequent to the measurement date	1,220,963	-
Total	<u>\$ 6,483,713</u>	<u>\$ 1,500,683</u>

The District recognized \$1,220,963 as a deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2018 which will be recognized as a reduction of the net pension asset in the year ended June 30, 2020.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:

2019	\$ 1,233,818
2020	850,220
2021	124,575
2022	847,412
2023	574,700
Thereafter	131,342
	<u>\$ 3,762,067</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension asset at the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension asset to June 30, 2018. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.25%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

	<u>Service</u>	<u>Rate</u>
	5	4.72%
	15	3.46%
	25	2.37%
	35	1.90%
Projected COLAs	1.5% compounded annually	
Investment Rate of Return	7.25% compounded annually, net of pension plan investment expense, including inflation.	

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2009 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect 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.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Type	Target Allocations in %	Long-term expected real rate of return in %
Domestic equities	33	5.8
International equities	16	7.3
Global equities	4	6.7
Real estate equities	11	4.9
Private equities	8	8.9
Domestic fixed income securities	16	1.3
Global fixed income securities	2	0.9
Private debt	1	6.8
Real estate debt	7	2.8
High-yield fixed income securities	1	3.5
Short-term	1	0.3
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the school districts' calculated using the discount rate of 7.25 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.25 percent) or 1% higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Assumption 7.25%	1% Increase 8.25%
Proportionate Share of Net Pension Liability (asset)	<u>\$ 8,189,307</u>	<u>\$ (1,192,011)</u>	<u>\$ (9,050,948)</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the employers as of June 30, 2018, were as follows:

Total pension liability	\$	118,107,253,288
Net position		<u>119,915,517,622</u>
Net pension liability (asset)	\$	<u>(1,808,264,334)</u>
NYSTRS net position as a percentage of total pension liability		101.53%

Payables to the Pension Plans

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	<u>June 30, 2019</u>
ERS Liability	\$ 140,419
TRS Liability	\$ 1,220,963

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

Benefits Provided

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	117
Active employees	<u>214</u>
Total participants	<u>331</u>

Total OPEB Liability

The District's total OPEB liability of \$34,759,047 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent per year
Payroll Growth	2.6 percent including inflation
Discount Rate	3.5 percent as of June 30, 2019
Healthcare Cost Trend Rates	6.1 percent, decreasing to an ultimate rate of 4.1 percent for 2026 and later years
Cost Method	Entry Age Normal

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

Changes in the Total OPEB Liability

Balance at June 30, 2018	<u>\$ 50,120,115</u>
Changes for the Year-	
Service cost	2,314,395
Interest	1,562,400
Changes of benefit terms	-
Changes in assumptions or other inputs	(18,523,587)
Differences between expected and actual experience	-
Benefit payments	<u>(714,276)</u>
Net changes	<u>(15,361,068)</u>
Balance at June 30, 2019	<u>\$ 34,759,047</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.0% in 2018 to 3.5% in 2019.

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

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

	1% Decrease <u>2.50%</u>	Current Discount <u>3.50%</u>	1% Increase <u>4.50%</u>
Total OPEB Liability	<u>\$ 41,235,524</u>	<u>\$ 34,759,047</u>	<u>\$ 29,604,498</u>

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

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

	Healthcare		
	1% Decrease (5.10% decreasing to <u>3.10%</u>)	Current Discount (6.10% decreasing to <u>4.10%</u>)	1% Increase (7.10% decreasing to <u>5.10%</u>)
Total OPEB Liability	<u>\$ 29,270,799</u>	<u>\$ 34,759,047</u>	<u>\$ 42,424,119</u>

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,637,695. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (3,853,838)
Changes of assumptions	-	(12,735,849)
Total	<u>\$ -</u>	<u>\$ (16,589,687)</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2020	\$ (2,239,100)
2021	(2,239,100)
2022	(2,239,100)
2023	(2,239,100)
2024	(2,239,100)
Thereafter	<u>(5,394,187)</u>
	<u>\$ (16,589,687)</u>

12. RISK MANAGEMENT

General

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

13. CONTINGENCIES AND COMMITMENTS

Grants

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited) For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 16,873,010	\$ 16,873,010	\$ 15,217,426	\$ -	\$ (1,655,584)
Other tax items	37,500	37,500	1,687,431	-	1,649,931
Charges for services	277,704	277,704	627,664	-	349,960
Use of money and property	21,000	21,000	131,533	-	110,533
Sale of property and compensation for loss	-	-	5,146	-	5,146
Miscellaneous	<u>387,792</u>	<u>387,792</u>	<u>771,707</u>	<u>-</u>	<u>383,915</u>
Total local sources	17,597,006	17,597,006	18,440,907	-	843,901
State sources	12,227,668	12,227,668	12,308,658	-	80,990
Medicaid reimbursement	<u>-</u>	<u>-</u>	<u>31,284</u>	<u>-</u>	<u>31,284</u>
Total revenue	29,824,674	29,824,674	30,780,849	-	956,175
OTHER FINANCING SOURCES					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 29,824,674</u>	<u>\$ 29,824,674</u>	<u>\$ 30,780,849</u>	<u>\$ -</u>	<u>\$ 956,175</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited) (Continued)
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 28,638	\$ 29,399	\$ 24,504	\$ -	\$ 4,895
Central administration	224,743	225,005	223,330	-	1,675
Finance	336,568	354,516	342,495	-	12,021
Staff	247,936	210,844	198,794	10,278	1,772
Central services	2,014,252	3,868,684	2,410,844	1,448,313	9,527
Special items	<u>344,778</u>	<u>353,428</u>	<u>345,611</u>	<u>5,553</u>	<u>2,264</u>
Total general support	3,196,915	5,041,876	3,545,578	1,464,144	32,154
INSTRUCTION:					
Instruction, administration, and improvement	922,225	979,114	920,261	51,743	7,110
Teaching - Regular school	7,978,518	7,849,614	7,515,283	24,963	309,368
Programs for children with handicapping conditions	3,934,554	3,638,838	3,583,051	3,666	52,121
Occupational education	627,967	601,352	601,085	-	267
Instructional media	822,842	1,001,669	935,375	42,872	23,422
Pupil services	<u>1,633,391</u>	<u>1,694,199</u>	<u>1,571,909</u>	<u>63,773</u>	<u>58,517</u>
Total instruction	15,919,497	15,764,786	15,126,964	187,017	450,805
Pupil transportation	1,810,957	1,701,247	1,636,601	13,200	51,446
Employee benefits	7,660,224	6,667,533	6,641,309	-	26,224
Debt service - Principal	1,315,000	1,590,000	1,590,000	-	-
Debt service - Interest	<u>558,411</u>	<u>267,512</u>	<u>267,050</u>	<u>-</u>	<u>462</u>
Total expenditures	30,461,004	31,032,954	28,807,502	1,664,361	561,091
OTHER FINANCING USES					
Transfers to other funds	<u>106,000</u>	<u>186,100</u>	<u>186,071</u>	<u>-</u>	<u>29</u>
Total expenditures and other uses	<u>30,567,004</u>	<u>31,219,054</u>	<u>28,993,573</u>	<u>1,664,361</u>	<u>561,120</u>
NET CHANGE IN FUND BALANCES	(742,330)	(1,394,380)	1,787,276	(1,664,361)	395,055
FUND BALANCE - beginning of year	<u>3,618,037</u>	<u>3,618,037</u>	<u>3,618,037</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 2,875,707</u>	<u>\$ 2,223,657</u>	<u>\$ 5,405,313</u>	<u>\$ (1,664,361)</u>	<u>\$ 395,055</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)

For the year ended June 30, 2019

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0115538%	0.0113528%	0.0106683%	0.0107352%	0.0103956%					
Proportionate share of the net pension liability (asset)	\$ 818.6	\$ 366.4	\$ 1,002.4	\$ 1,723.0	\$ 351.2					
Covered-employee payroll	\$ 3,261.1	\$ 3,272.9	\$ 2,941.1	\$ 2,866.6	\$ 2,638.3					
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.10%	11.19%	34.08%	60.11%	13.31%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.27%	94.70%	94.70%	90.68%	97.95%					
<div>Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.</div>										
	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0659200%	0.0658520%	0.0680640%	0.0700920%	0.0706810%					
Proportionate share of the net pension liability (asset)	\$ (1,192.0)	\$ (500.5)	\$ 729.0	\$ (7,280.3)	\$ (7,873.4)					
Covered-employee payroll	\$ 10,895.1	\$ 10,737.7	\$ 10,435.4	\$ 10,502.9	\$ 10,528.7					
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.94%	-4.66%	6.99%	-69.32%	-74.78%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	100.66%	99.01%	110.46%	111.48%					
<div>Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.</div>										

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)
For the year ended June 30, 2019

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 468.3	\$ 486.3	\$ 447.8	\$ 557.8	\$ 492.9					
Contributions in relation to the contractually required contribution	468.3	486.3	447.8	557.8	492.9					
Contribution deficiency (excess)	-	-	-	-	-					
Covered-employee payroll	\$ 3,261	\$ 3,273	\$ 2,941	\$ 2,867	\$ 2,638					
Contributions as a percentage of covered-employee payroll	14.36%	14.86%	15.23%	19.46%	18.68%					

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

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 1,157.1	\$ 1,052.3	\$ 1,223.0	\$ 1,392.7	\$ 1,845.7					
Contributions in relation to the contractually required contribution	1,157.1	1,052.3	1,223.0	1,392.7	1,845.7					
Contribution deficiency (excess)	-	-	-	-	-					
Covered-employee payroll	\$ 10,895	\$ 10,738	\$ 10,435	\$ 10,503	\$ 10,529					
Contributions as a percentage of covered-employee payroll	10.62%	9.80%	11.72%	13.26%	17.53%					

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

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the year ended June 30, 2019

	Last 10 Fiscal Years									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB Liability										
Service cost	\$ 2,314,395	\$ 2,381,279								
Interest	1,562,400	1,477,387								
Changes of benefit terms	-	-								
Differences between expected and actual experience	-	-								
Changes in assumptions	(18,523,587)	(339,111)								
Benefit payments	(714,276)	(524,937)								
Total change in total OPEB liability	(15,361,068)	2,994,618								
Total OPEB liability - beginning	50,120,115	47,125,497								
Total OPEB liability - ending	\$ 34,759,047	\$ 50,120,115								
 Covered-employee payroll	 \$ 11,593,447	 \$ 12,253,060								
 Total OPEB liability as a percentage of covered-employee payroll	 299.82%	 409.04%								

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

Notes to schedule:

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

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

The actuarial cost method uses *Entry Age Normal*, which caused a decrease in liabilities.

The healthcare trend cost rates have been reset to an initial rate of 6.1% decreasing an ultimate rate of 4.1%, which caused an increase in liabilities.

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

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

The accompanying notes are an integral part of these statements.

SUPPLEMENTARY INFORMATION

GREENVILLE CENTRAL SCHOOL DISTRICT**Schedule of Change from Original Budget to Revised Budget - General Fund (Unaudited)
For the year ended June 30, 2019**

CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET

Adopted budget	\$	30,567,004
Add: Prior year's encumbrances		<u>652,050</u>
Original budget		31,219,054
Budget revision:	\$	<u>-</u>
		<u>-</u>
Final budget	\$	<u>31,219,054</u>

Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)

2019-20 voter-approved expenditure budget	\$	31,373,618
Maximum allowed (4% of 2019-20 budget)	\$	1,254,945

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law *:

Total fund balance:	\$	<u>5,405,313</u>
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Less:

Restricted fund balance	\$	1,699,108
Assigned fund balance:		
Appropriated fund balance		809,695
Encumbrances included in committed and assigned fund balance		<u>1,664,361</u>
Total adjustments	\$	<u>4,173,164</u>

General Fund, Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	<u>1,232,149</u>
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Actual percentage	3.93%
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*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Project Expenditures - Capital Projects Fund (Unaudited)
For the year ended June 30, 2019

<u>Project Title</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Revenue</u>			<u>Expenditures</u>			<u>Fund Balance 6/30/2019</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
Elementary Pavilion 7029-001	\$ 50,000	\$ 50,000	-	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Elementary Fields 0001-029	2,548,058	2,548,058	120,000	2,428,058	2,548,058	101,759	895,501	997,260	1,550,798
Athletic Storage 2021-001	188,003	188,003	188,003	-	188,003	-	188,771	188,771	(768)
Receiving Building 2022-001	989,316	989,316	989,316	-	989,316	-	555,118	555,118	434,198
Athletic Restrooms 7020-001	349,956	349,956	349,956	-	349,956	-	287,347	287,347	62,609
Soccer Field 7023-001	51,300	51,300	51,300	-	51,300	-	11,836	11,836	39,464
Softball Dugout #1 7024-001	53,000	56,150	53,300	-	53,300	-	56,150	56,150	(2,850)
Softball Dugout #2 7027-001	58,500	58,500	58,500	-	58,500	-	56,150	56,150	2,350
Baseball Dugout #1 7026-001	48,700	48,700	48,700	-	48,700	-	59,665	59,665	(10,965)
Baseball Dugout #2 7027-001	53,900	53,900	53,900	-	53,900	-	56,150	56,150	(2,250)
Agri Viewing Stand 7028-001	51,300	51,300	51,300	-	51,300	-	7,367	7,367	43,933
Land	20,500	20,500	-	20,500	20,500	-	1,500	1,500	19,000
Building Condition Survey	50,000	50,000	-	50,000	50,000	-	-	-	50,000
Smart School Bond Act	320,000	1,650,561	643,178	1,007,383	1,650,561	337,347	1,313,214	1,650,561	-
MS/HS Renovation 0008-026	<u>625,000</u>	<u>6,952,834</u>	<u>757,725</u>	<u>6,211,942</u>	<u>6,969,667</u>	<u>467,792</u>	<u>3,237,928</u>	<u>3,705,720</u>	<u>3,263,947</u>
	<u>\$ 5,457,533</u>	<u>\$ 13,119,078</u>	<u>3,365,178</u>	<u>\$ 9,767,883</u>	<u>\$ 13,133,061</u>	<u>\$ 906,898</u>	<u>\$ 6,726,697</u>	<u>\$ 7,633,595</u>	<u>\$ 5,449,466</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Combining Balance Sheet - Non-major Governmental Funds June 30, 2019

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Debt Service</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS				
Cash - Unrestricted	\$ 76	\$ 99,060	\$ -	\$ 99,136
Accounts receivable	-	702	-	702
Due from other funds	-	-	377,076	377,076
State and federal aid receivable	241,559	15,667	-	257,226
Inventory	-	11,092	-	11,092
TOTAL ASSETS	<u>\$ 241,635</u>	<u>\$ 126,521</u>	<u>\$ 377,076</u>	<u>\$ 745,232</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,998	\$ 416	\$ -	\$ 5,414
Due to other funds	236,637	11,217	-	247,854
Due to other governments	-	646	-	646
Unearned revenue	-	6,475	-	6,475
TOTAL LIABILITIES	<u>241,635</u>	<u>18,754</u>	<u>-</u>	<u>260,389</u>
FUND BALANCES				
Nonspendable				
Inventory	-	11,092	-	11,092
Restricted				
Debt service	-	-	377,076	377,076
Total restricted fund balance	<u>-</u>	<u>-</u>	<u>377,076</u>	<u>377,076</u>
Assigned				
Other	-	96,675	-	96,675
Total assigned fund balance	<u>-</u>	<u>96,675</u>	<u>-</u>	<u>96,675</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>-</u>	<u>107,767</u>	<u>377,076</u>	<u>484,843</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 241,635</u>	<u>\$ 126,521</u>	<u>\$ 377,076</u>	<u>\$ 745,232</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-major Governmental Funds For the year ended June 30, 2019

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Debt Service</u>	Total Non-Major Governmental <u>Funds</u>
REVENUE:				
Use of money and property	\$ -	\$ 158	\$ 649	\$ 807
Miscellaneous	-	5,053	-	5,053
State sources	413,086	6,389	-	419,475
Federal sources	647,105	207,553	-	854,658
Sales - School lunch	-	229,684	-	229,684
	<u>-</u>	<u>229,684</u>	<u>-</u>	<u>229,684</u>
Total revenue	<u>1,060,191</u>	<u>448,837</u>	<u>649</u>	<u>1,509,677</u>
EXPENDITURES:				
Instruction	1,053,554	-	-	1,053,554
Pupil transportation	72,208	-	-	72,208
Employee benefits	-	85,075	-	85,075
Cost of sales	-	350,770	-	350,770
	<u>-</u>	<u>350,770</u>	<u>-</u>	<u>350,770</u>
Total expenditures	<u>1,125,762</u>	<u>435,845</u>	<u>-</u>	<u>1,561,607</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(65,571)</u>	<u>12,992</u>	<u>649</u>	<u>(51,930)</u>
OTHER SOURCES AND (USES):				
Proceeds from premium on obligations	-	-	490,113	490,113
Operating transfers in	65,571	-	-	65,571
Operating transfers (out)	-	-	(240,000)	(240,000)
	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>(240,000)</u>
Total other sources (uses)	<u>65,571</u>	<u>-</u>	<u>250,113</u>	<u>315,684</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER	<u>-</u>	<u>12,992</u>	<u>250,762</u>	<u>263,754</u>
FUND BALANCE (DEFICIT) - beginning of year	<u>-</u>	<u>94,775</u>	<u>126,314</u>	<u>221,089</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ -</u>	<u>\$ 107,767</u>	<u>\$ 377,076</u>	<u>\$ 484,843</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited) For the year ended June 30, 2019

Capital assets, net	\$ 29,428,935
Deduct:	
Premium on bonds payable	490,113
Short-term portion of bonds payable	1,375,000
Long-term portion of bonds payable	<u>16,815,000</u>
	<u>18,680,113</u>
Net Investment in capital assets	<u>\$ 10,748,822</u>

The accompanying notes are an integral part of these statements.

**REQUIRED REPORTS UNDER *GOVERNMENT*
*AUDITING STANDARDS***

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

September 11, 2019

To the Board of Education of
GREENVILLE CENTRAL SCHOOL DISTRICT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greenville Central School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 11, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.