

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Central Square Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Square Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Square Central School District, New York, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–13 and 49–53 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

As described in Note II to the financial statements, the District adopted GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Square Central School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the Central Square Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Square Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York
September 30, 2021

Mengel, Metzger, Baw & Co. LLP

Central Square Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

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

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded the total net assets plus deferred outflows (what the district owns) by \$116,241,181 (net position), a decrease of \$11,179,465 from the prior year.

General revenues, which include Federal and State Aid and Real Property Taxes, accounted for \$80,710,874, or 94% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,761,277 or 6% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$16,774,879 an increase of \$12,317,054 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains six individual governmental funds; the General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund, which are reported as major funds. Data for the school lunch fund, the special aid fund, the miscellaneous special revenue fund, and the debt service fund, are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the District-Wide and Fund Financial Statements</u>			
	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net assets statement of changes in fiduciary net assets
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/liability information	All assets and liabilities, 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 revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District as a Whole

Net Position

The District's combined net position was lower on June 30, 2021 than the year before, decreasing by 11% to a deficit of \$116,224,701, as shown in the table below.

	Governmental Activities		Total Variance
	<u>2021</u>	<u>2020</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 35,814,978	\$ 38,059,427	\$ (2,244,449)
Capital Assets	90,346,045	76,822,403	13,523,642
Total Assets	<u>\$ 126,161,023</u>	<u>\$ 114,881,830</u>	<u>\$ 11,279,193</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 79,835,253</u>	<u>\$ 88,112,918</u>	<u>\$ (8,277,665)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 243,095,079	\$ 259,711,506	\$ (16,616,427)
Other Liabilities	19,251,459	28,150,701	(8,899,242)
Total Liabilities	<u>\$ 262,346,538</u>	<u>\$ 287,862,207</u>	<u>\$ (25,515,669)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 59,890,919</u>	<u>\$ 20,178,701</u>	<u>\$ 39,712,218</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 38,337,490	\$ 23,363,113	\$ 14,974,377
Restricted For,			
Accrued Benefit Liability Reserve	3,554,430	2,104,223	1,450,207
Other Purposes	6,101,990	3,861,013	2,240,977
Unrestricted	(164,235,091)	(134,374,509)	(29,860,582)
Total Net Position	<u>\$ (116,241,181)</u>	<u>\$ (105,046,160)</u>	<u>\$ (11,195,021)</u>

The District's financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

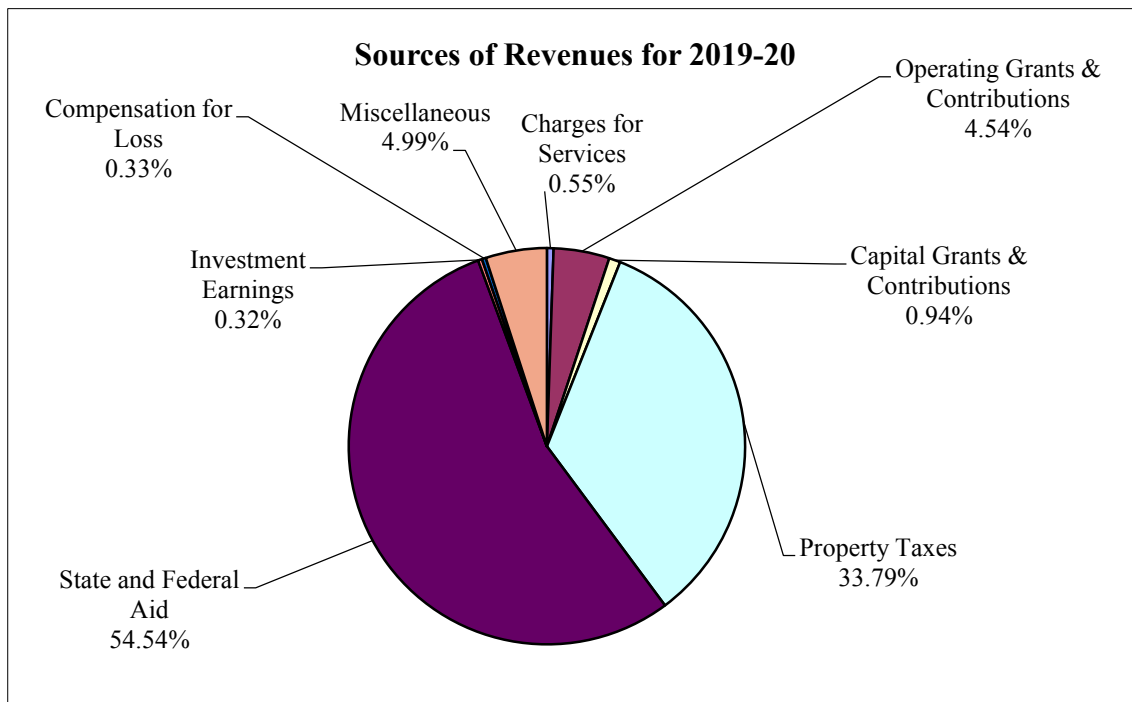
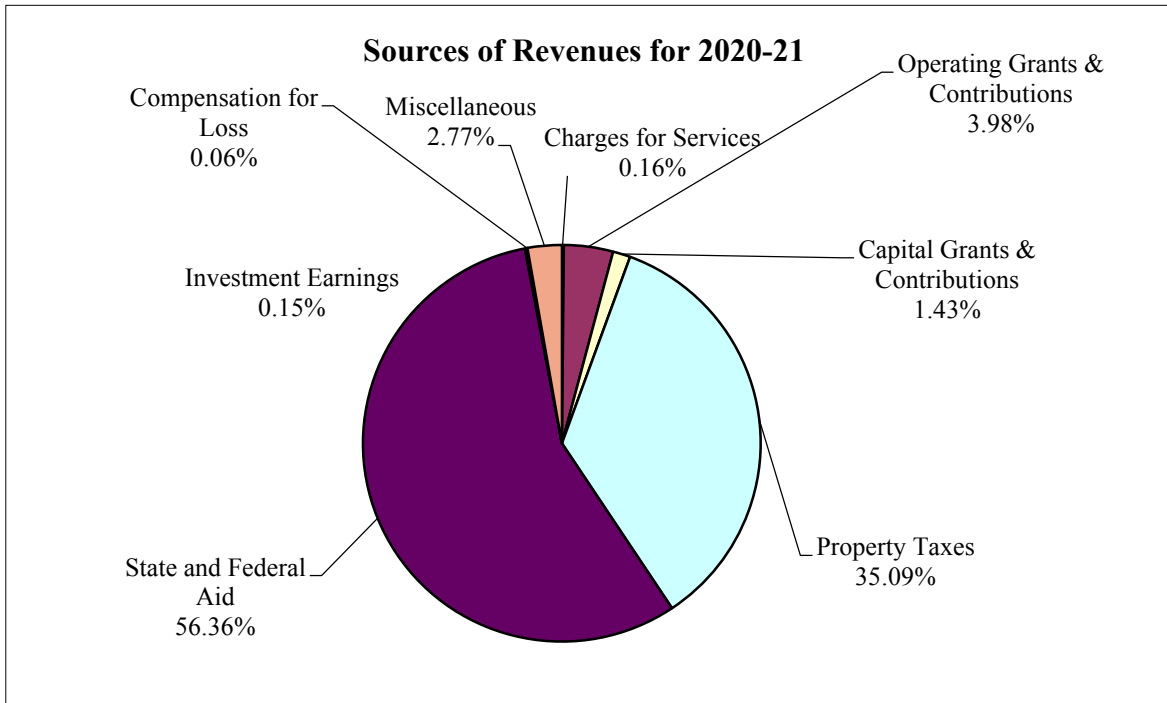
There were two restricted net asset balances; Accrued Benefit Liability Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$164,235,091.

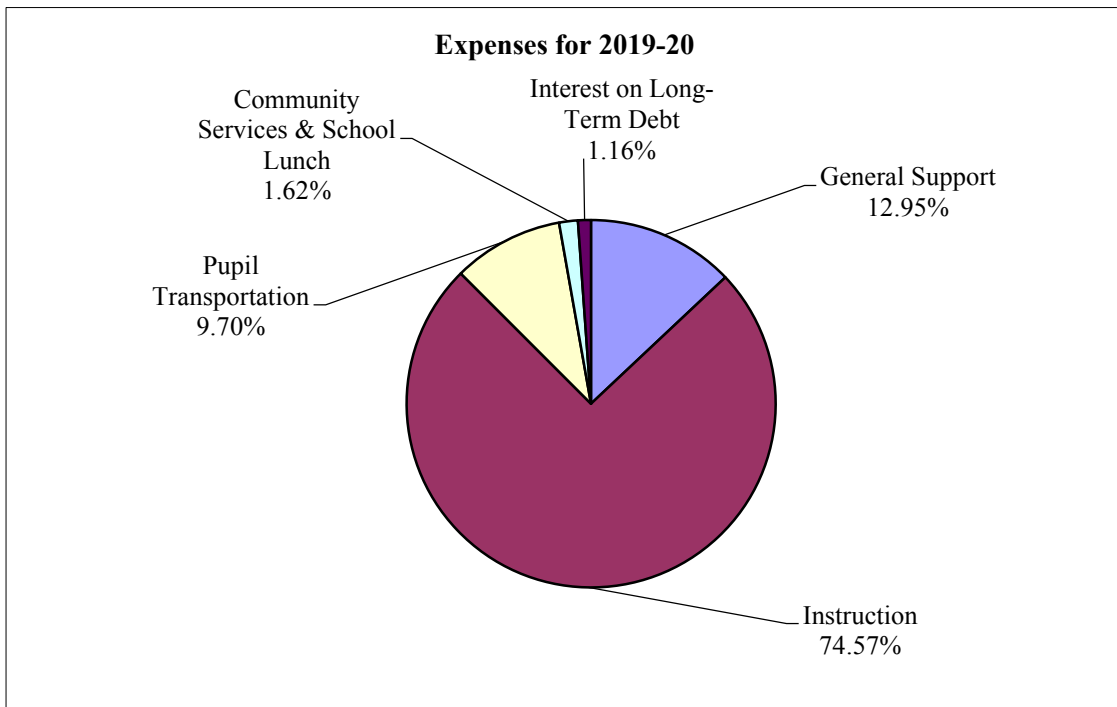
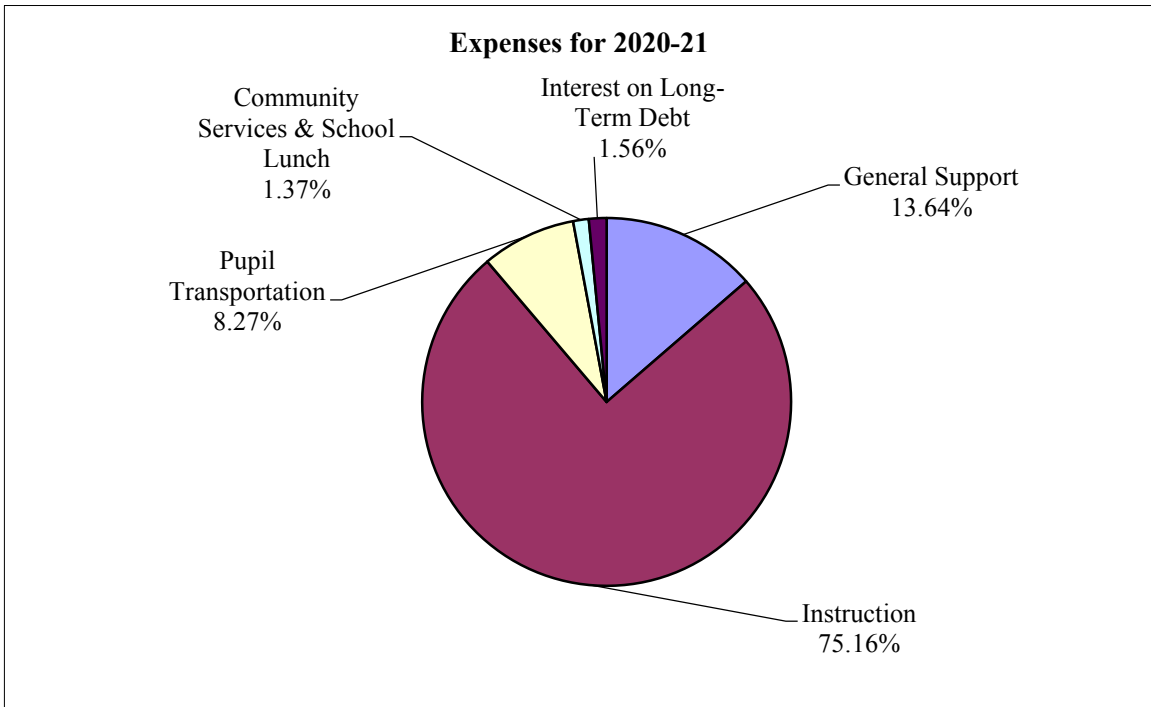
Changes in Net Position

The District's total revenue decreased to \$85,472,151. Approximately 56% of the revenue was from State and Federal Aid sources, while 35% came from property taxes. The remaining 9% of the revenue came from operating grants, capital grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services decreased 10% to \$97,131,616. The District's expenses were predominately related to education and caring for the students, or Instruction (75%). General support, which included expenses associated with the operation, maintenance and administration of the District, accounted for 14% of the total costs. See the table below for further details:

	Governmental Activities		Total Variance
	<u>2021</u>	<u>2020</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 137,107	\$ 472,469	\$ (335,362)
Operating Grants & Contributions	3,403,666	3,891,680	(488,014)
Capital Grants & Contributions	1,220,504	807,605	412,899
Total Program	\$ 4,761,277	\$ 5,171,754	\$ (410,477)
<u>General -</u>			
Property Taxes	\$ 29,994,824	\$ 28,939,318	\$ 1,055,506
State and Federal Aid	48,176,054	46,705,566	1,470,488
Investment Earnings	130,265	270,335	(140,070)
Compensation for Loss	47,215	283,329	(236,114)
Miscellaneous	2,362,516	4,272,028	(1,909,512)
Total General	\$ 80,710,874	\$ 80,470,576	\$ 240,298
TOTAL REVENUES	\$ 85,472,151	\$ 85,642,330	\$ (170,179)
<u>SPECIAL ITEM:</u>			
Advance Refunding	\$ 480,000	\$ -	\$ 480,000
<u>EXPENSES:</u>			
General Support	\$ 13,238,140	\$ 13,972,482	\$ (734,342)
Instruction	73,020,538	80,265,222	(7,244,684)
Pupil Transportation	8,029,347	10,470,330	(2,440,983)
School Lunch	1,332,875	1,748,015	(415,140)
Interest	1,510,716	1,249,775	260,941
TOTAL EXPENSES	\$ 97,131,616	\$ 107,705,824	\$ (10,574,208)
CHANGE IN NET POSITION	\$ (11,179,465)	\$ (22,063,494)	
NET POSITION, BEGINNING OF YEAR (restated)	\$ (105,061,716)	\$ (82,982,666)	
NET POSITION, END OF YEAR	\$ (116,241,181)	\$ (105,046,160)	





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$16,774,879, which is more than last year's ending fund balance of \$4,457,825.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$20,589,919. Fund balance for the General Fund increased by \$3,954,376 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2021</u>	<u>2020</u>	<u>Total Variance</u>
Nonspendable	\$ 3,209,985	\$ 2,870,159	\$ 339,826
Restricted	7,618,794	4,099,345	3,519,449
Assigned	4,746,320	2,852,937	1,893,383
Unassigned	5,014,820	6,813,102	(1,798,282)
Total General Fund Balances	<u>\$ 20,589,919</u>	<u>\$ 16,635,543</u>	<u>\$ 3,954,376</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,352,937. This change is attributable to \$1,352,937 of carryover encumbrances from the 2019-20 school year.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Federal Sources	\$880,681	The 2020-21 year had a CARES Act Education Stabilization Funds that came to districts through the general fund. This stimulus money was not budgeted as federal and supplanted state aid.
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Teaching-Regular School	\$1,094,319	The 2020-21 school year was unlike anything public schools have ever dealt with. Much of the year was done virtually. This resulted in budgeted extras –stipends, extra duties, subs, etc. – to not be utilized as they normally would. These payroll expenditures were not realized.
Pupil Transportation	\$1,203,277	The 2020-21 school year was unlike anything public schools have ever dealt with. Given that much of the year was done virtually, transportation was not used to the extent budgeted. Expenditures were down in all transportation areas including payroll. There were fewer trips, athletic events, academic runs, etc.
Employee Benefits	\$1,584,432	These are the corresponding benefits not spent due to the variances explained above.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2021 fiscal year, the District had invested \$90,346,045 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2021</u>	<u>2020</u>
Land	\$ 425,000	\$ 425,000
Work in Progress	46,557,327.00	32,211,603.00
Buildings and Improvements	36,626,939.00	38,506,651.00
Machinery and Equipment	6,736,779.00	5,679,149.00
Total Capital Assets	<u>\$ 90,346,045</u>	<u>\$ 76,822,403</u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year-end, the District had \$243,095,079 in general obligation bonds and other long-term debt as follows:

<u>Type</u>	<u>2021</u>	<u>2020</u>
Serial Bonds	\$ 40,380,436	\$ 23,632,363
Unamortized Bond Premium	6,495,514	2,599,596
Energy Performance Contract	-	252,640
OPEB	188,029,781	220,498,316
Net Pension Liability	4,586,200	7,885,377
Compensated Absences	3,603,148	4,843,214
Total Long-Term Obligations	<u>\$ 243,095,079</u>	<u>\$ 259,711,506</u>

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

The District is currently finalizing a large 40.8 million capital project along with a \$12 million security project. These will result in increase to our debt schedule and increases to our building aid. The renovations are beautiful and we believe the community will continue to support the improvement necessary to keep the investment in our buildings and surrounding grounds needed. The board is investigating another capital project to go before the voters in May 2022. This will keep the District on the 5 year building condition survey timeline. Also, maximum cost allowances will be reset to maximize building aid.

All public school are currently dealing with the effects of COVID-19. This is extremely time consuming and has been very difficult. The District continues to work towards positive, innovative, re-imagined ways to deliver instruction to all students and support the community during these difficult times.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Central Square Central School District
44 School Drive
Central Square, New York 13036

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 30,589,291
Accounts receivable	5,163,022
Inventories	62,665
Capital Assets:	
Land	425,000
Work in progress	46,557,327
Other capital assets (net of depreciation)	43,363,718
TOTAL ASSETS	<u>\$ 126,161,023</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 79,835,253</u>
 LIABILITIES	
Accounts payable	\$ 192,015
Accrued liabilities	3,458,950
Unearned revenues	32,243
Due to other governments	372,261
Due to teachers' retirement system	2,812,761
Due to employees' retirement system	336,148
Bond anticipation notes payable	11,995,000
Other Liabilities	52,081
Long-Term Obligations:	
Due in one year	4,864,735
Due in more than one year	238,230,344
TOTAL LIABILITIES	<u>\$ 262,346,538</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 59,890,919</u>
 NET POSITION	
Net investment in capital assets	\$ 38,337,490
Restricted For:	
Accrued benefit liability reserve	3,554,430
Other purposes	6,101,990
Unrestricted	(164,235,091)
TOTAL NET POSITION	<u><u>\$ (116,241,181)</u></u>

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
<u>Primary Government</u> -					
General support	\$ 13,238,140	\$ -	\$ -	\$ -	\$ (13,238,140)
Instruction	73,020,538	137,107	2,747,443	1,220,504	(68,915,484)
Pupil transportation	8,029,347	-	-	-	(8,029,347)
School lunch	1,332,875	-	656,223	-	(676,652)
Interest	1,510,716	-	-	-	(1,510,716)
Total Primary Government	\$ 97,131,616	\$ 137,107	\$ 3,403,666	\$ 1,220,504	\$ (92,370,339)
General Revenues:					
Property taxes					\$ 29,994,824
State and federal aid					48,176,054
Investment earnings					130,265
Compensation for loss					47,215
Miscellaneous					2,362,516
Total General Revenues					\$ 80,710,874
Special Item:					
Advance refunding					\$ 480,000
Total Special Items					\$ 480,000
Total General Revenues and Special Item					\$ 81,190,874
Changes in Net Position					\$ (11,179,465)
Net Position, Beginning of Year (restated)					(105,061,716)
Net Position, End of Year					\$ (116,241,181)

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2021

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 20,828,879	\$ 6,904,498	\$ 2,855,914	\$ 30,589,291
Receivables	3,932,186	-	1,230,836	5,163,022
Inventories	-	-	62,665	62,665
Due from other funds	2,825,712	-	608	2,826,320
TOTAL ASSETS	\$ 27,586,777	\$ 6,904,498	\$ 4,150,023	\$ 38,641,298
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u> -				
Accounts payable	\$ 184,302	\$ -	\$ 7,713	\$ 192,015
Accrued liabilities	3,239,392	-	8,198	3,247,590
Notes payable - bond anticipation notes	-	11,995,000	-	11,995,000
Due to other funds	-	-	2,826,320	2,826,320
Due to other governments	372,174	-	87	372,261
Due to TRS	2,812,761	-	-	2,812,761
Due to ERS	336,148	-	-	336,148
Other liabilities	52,081	-	-	52,081
Unearned revenue	-	-	32,243	32,243
TOTAL LIABILITIES	\$ 6,996,858	\$ 11,995,000	\$ 2,874,561	\$ 21,866,419
<u>Fund Balances</u> -				
Nonspendable	\$ 3,209,985	\$ -	\$ 62,665	\$ 3,272,650
Restricted	7,618,794	1,343,562	2,037,626	10,999,982
Assigned	4,746,320	-	-	4,746,320
Unassigned	5,014,820	(6,434,064)	(824,829)	(2,244,073)
TOTAL FUND BALANCE	\$ 20,589,919	\$ (5,090,502)	\$ 1,275,462	\$ 16,774,879
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,586,777	\$ 6,904,498	\$ 4,150,023	

Amounts reported for governmental activities in the

Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

90,346,045

Interest is accrued on outstanding bonds in the statement of net position but not in the funds.

(211,360)

The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:

Serial bonds payable	(40,380,436)
OPEB	(188,029,781)
Compensated absences	(3,603,148)
Unamortized bond premium	(6,495,514)
Deferred outflow - pension	22,201,892
Deferred outflow - OPEB	57,633,361
Net pension liability	(4,586,200)
Deferred inflow - pension	(11,428,932)
Deferred inflow - OPEB	(48,461,987)

Net Position of Governmental Activities

\$ (116,241,181)

(See accompanying notes to financial statements)

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and tax items	\$ 29,994,824	\$ -	\$ -	\$ 29,994,824
Charges for services	137,107	-	-	137,107
Use of money and property	106,734	-	23,531	130,265
Sale of property and compensation for loss	47,215	-	-	47,215
Miscellaneous	2,092,785	2	167,396	2,260,183
State sources	47,145,373	1,220,504	604,474	48,970,351
Federal sources	1,030,681	-	2,798,252	3,828,933
TOTAL REVENUES	\$ 80,554,719	\$ 1,220,506	\$ 3,593,653	\$ 85,368,878
EXPENDITURES				
General support	\$ 9,360,929	\$ -	\$ 387,749	\$ 9,748,678
Instruction	37,606,658	-	2,470,236	40,076,894
Pupil transportation	3,985,266	1,250,437	-	5,235,703
Employee benefits	20,433,232	-	670,811	21,104,043
Debt service - principal	-	-	3,320,003	3,320,003
Debt service - interest	-	-	1,592,723	1,592,723
Cost of sales	-	-	389,772	389,772
Other expenses	-	-	592,612	592,612
Capital outlay	-	15,566,229	-	15,566,229
TOTAL EXPENDITURES	\$ 71,386,085	\$ 16,816,666	\$ 9,423,906	\$ 97,626,657
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 9,168,634	\$ (15,596,160)	\$ (5,830,253)	\$ (12,257,779)
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ -	\$ 100,000	\$ 5,114,258	\$ 5,214,258
Transfers - out	(5,214,258)	-	-	(5,214,258)
Proceeds from obligations	-	19,900,436	-	19,900,436
BAN's redeemed from appropriations	-	395,000	-	395,000
Premium on obligations issued	-	3,788,376	999,454	4,787,830
Payment to refunded bond escrow agent	-	-	(4,253,433)	(4,253,433)
Proceeds from advanced refunding	-	-	3,745,000	3,745,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (5,214,258)	\$ 24,183,812	\$ 5,605,279	\$ 24,574,833
NET CHANGE IN FUND BALANCE	\$ 3,954,376	\$ 8,587,652	\$ (224,974)	\$ 12,317,054
FUND BALANCE, BEGINNING OF YEAR (restated)	16,635,543	(13,678,154)	1,500,436	4,457,825
FUND BALANCE, END OF YEAR	\$ 20,589,919	\$ (5,090,502)	\$ 1,275,462	\$ 16,774,879

(See accompanying notes to financial statements)

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS

\$ 12,317,054

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

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

Capital Outlay	\$ 15,566,229	
Additions to Assets, Net	1,298,122	
Depreciation	<u>(3,340,709)</u>	
		13,523,642

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 3,320,003	
Proceeds from Bond Issuance	(19,900,436)	
Proceeds from BAN Redemption	(395,000)	
Unamortized Bond Premium	(3,895,918)	
Advanced Refunding	<u>480,000</u>	
		(20,391,351)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (103,678)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (13,422,184)

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System	(3,526,345)
Employees' Retirement System	507,630

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	<u>(84,233)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (11,179,465)

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 119,248
TOTAL ASSETS	<u>\$ 119,248</u>
LIABILITIES	
Due to Other Governments	\$ 130
TOTAL LIABILITIES	<u>\$ 130</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 119,118
TOTAL NET POSITION	<u><u>\$ 119,118</u></u>

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and Donations	\$ 9,468
Investment earnings	72
Library taxes	55,000
Miscellaneous	18,910
TOTAL ADDITIONS	<u>\$ 83,450</u>
DEDUCTIONS	
Student activity	\$ 34,548
Library taxes	55,000
TOTAL DEDUCTIONS	<u>\$ 89,548</u>
CHANGE IN NET POSITION	\$ (6,098)
NET POSITION, BEGINNING OF YEAR (restated)	125,216
NET POSITION, END OF YEAR	<u><u>\$ 119,118</u></u>

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2021

I. Summary of Significant Accounting Policies

The financial statements of the Central Square Central School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. 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 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 review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. 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 agency for various student organizations in an agency fund.

(I.) (Continued)

B. Joint Venture

The District is a component of the Oswego County Board of Cooperative Educational Services (BOCES). The 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.

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

During the year, the District was billed \$10,938,352 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$4,651,451.

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

C. Basis of Presentation

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

(I.) (Continued)

2. **Fund 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 governmental funds:

a. **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 - Used to account for the acquisition construction or major repair of capital facilities and bus purchases.

b. **Non-major Governmental** - The other funds which are not considered major are aggregated and reported as non-major governmental funds as follows:

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

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include 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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year 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.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 17, 2021. Taxes are collected during the period September 1, 2021 to November 1, 2021.

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.

F. 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.

(I.) (Continued)

G. Inter-fund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. 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.

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 VII for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures 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.

I. Cash and Cash Equivalents

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.

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaid Items

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

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

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition 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 of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. 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.

N. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

O. Vested Employee Benefits

1. Compensated Absences

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

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, 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 funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

P. Other Benefits

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

(I.) (Continued)

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

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

R. Accrued Liabilities and Long-Term Obligations

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

S. Equity Classifications

1. District-Wide Statements

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

- a. 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.
- b. 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.

(I.) (Continued)

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<u>Total</u>
Workers' Compensation	\$ 1,186,486
Retirement Contribution - TRS	1,116,496
Retirement Contribution - ERS	1,679,833
Tax Certiorari	81,549
Debt	1,803,869
Scholarships	<u>233,757</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 6,101,990</u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications. The reported deficit of \$164,235,091 at year end is the result of full implementation of GASB #75 regarding retiree health obligations.

2. **Fund Statements**

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

a. **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. Nonspendable fund balance includes:

	<u>Total</u>
Inventory in School Lunch	\$ 62,665
Health Insurance Cash Reserve	1,360,100
Noncurrent Receivables	<u>1,849,885</u>
Total Nonspendable Fund Balance	<u>\$ 3,272,650</u>

b. **Restricted Fund Balances** – 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. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Reserve for Debt Service - According to General Municipal Law §6-1, 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.

(I.) (Continued)

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, 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.

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding 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.

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

Retirees' Contribution Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Teachers' Retirement Reserve - General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous years TRS salary.

(I.) (Continued)

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	1,186,486
Retirement Contribution - ERS	1,679,833
Retirement Contribution - TRS	1,116,496
Tax Certiorari	81,549
Employee Benefit Accrued Liability	3,554,430
<u>Capital Fund -</u>	
Capital Improvement Projects	1,343,562
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	233,757
<u>Debt Service Fund -</u>	
Debt Service	1,803,869
Total Restricted Fund Balance	<u>\$ 10,999,982</u>

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

d. **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. 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.

Management has determined significant encumbrances for the General Fund to be \$106,000, and the Capital Projects Fund to be \$27,000. The District reports the following significant encumbrances:

<u>General Fund -</u>	
Instructional Media	\$ 160,256
Instruction, Admin and Improvement	218,430
Central Services	1,045,680
Total General Fund Significant Encumbrances	<u>\$ 1,424,366</u>

(I.) (Continued)

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 1,746,320
General Fund - Appropriated for Taxes	3,000,000
Total Assigned Fund Balance	<u>\$ 4,746,320</u>

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

3. Order of Use of Fund Balance

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

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standards issued by GASB:

GASB has issued Statement 84, *Fiduciary Activities*.

GASB has issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2019.

U. Future Changes in Accounting Standards

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after June 15, 2021.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2020.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

(I.) (Continued)

GASB has issued Statement No. 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 11b*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 96, *Subscription Based Information Technology*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which will be effective for reporting periods beginning after June 15, 2021.

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

II. Restatement of Net Position

For the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The District's net position has been restated as follows:

	Government-Wide <u>Statements</u>	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>
Net position beginning of year, as previously stated	\$ (105,234,940)	\$ 4,284,601	\$ 173,224
Adjustments for activities previously recorded in Agency Fund:			
Student Activity Balance	-	-	125,216
Adjustments for activities previously recorded in Private Purpose Trust:			
Scholarships	173,224	173,224	(173,224)
Net position beginning of year, as restated	<u>\$ (105,061,716)</u>	<u>\$ 4,457,825</u>	<u>\$ 125,216</u>

III. Changes in Accounting Principles

For the year ended June 30, 2021, the District implemented GASB Statement No. 84, Fiduciary Activity. The implementation of the statement changes the reporting for certain activity previously reported in the Fiduciary Fund. The District is now required to report some or all of that activity in the Governmental funds. See Note II for the financial statement impact of implementation of the Statement.

IV. 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.

A. 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 established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The budget was amended by \$1,352,937 for carry over encumbrances at June 30, 2021.

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

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

B. Encumbrances

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

(IV.) (Continued)

C. Deficit Fund Balances

1. School Lunch Fund

As indicated in the financial statements, the District's School Lunch program had a net operating loss of \$412,265, which resulted in a deficit unassigned fund balance of (\$824,829) at June 30, 2021. This deficit is a result of expenditures increasing at a higher rate than revenues.

2. Capital Projects Fund

The Capital Projects Fund had a deficit unassigned fund balance of (\$6,434,064) at June 30, 2021, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

D. Deficit Net Position

The District-wide net position had a deficit at June 30, 2021 of (\$116,241,181). The deficit is the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", which required the recognition of an unfunded liability of \$188,029,781 at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

E. New York State Real Property Tax Law

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

V. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates

(V.) (Continued)

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

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging Financial Institution	24,091,261
Collateralized within Trust Department or Agent	6,264,919
Total	\$ 30,356,180

Restricted cash represents cash 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 \$7,497,418 within the governmental funds and \$119,118 in the fiduciary funds.

VI. Receivables

Receivables at June 30, 2021 for individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 19,245	\$ -	\$ 56,744	\$ 75,989
Due From State and Federal	3,912,941	1,098,319	75,773	5,087,033
Total Receivables	\$ 3,932,186	\$ 1,098,319	\$ 132,517	\$ 5,163,022

District management has deemed the amounts to be fully collectible.

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2021 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,825,712	\$ -	\$ -	\$ 5,214,258
Capital Projects Fund	-	-	100,000	-
Non-Major Funds	608	2,826,320	5,114,258	-
Total	\$ 2,826,320	\$ 2,826,320	\$ 5,214,258	\$ 5,214,258

Inter-fund receivables and payables between governmental activities 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 not necessarily 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.

VIII. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 425,000	\$ -	\$ -	\$ 425,000
Work in progress	32,211,603	15,566,229	1,220,505	46,557,327
<i>Total Nondepreciable</i>	<u>\$ 32,636,603</u>	<u>\$ 15,566,229</u>	<u>\$ 1,220,505</u>	<u>\$ 46,982,327</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 96,632,883	\$ -	\$ -	\$ 96,632,883
Machinery and equipment	13,318,780	2,561,181	715,754	15,164,207
<i>Total Depreciated Assets</i>	<u>\$ 109,951,663</u>	<u>\$ 2,561,181</u>	<u>\$ 715,754</u>	<u>\$ 111,797,090</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 58,126,232	\$ 1,879,712	\$ -	\$ 60,005,944
Machinery and equipment	7,639,631	1,460,997	673,200	8,427,428
<i>Total Accumulated Depreciation</i>	<u>\$ 65,765,863</u>	<u>\$ 3,340,709</u>	<u>\$ 673,200</u>	<u>\$ 68,433,372</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 44,185,800</u>	<u>\$ (779,528)</u>	<u>\$ 42,554</u>	<u>\$ 43,363,718</u>
Total Capital Assets	<u>\$ 76,822,403</u>	<u>\$ 14,786,701</u>	<u>\$ 1,263,059</u>	<u>\$ 90,346,045</u>

Depreciation expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General Government Support	\$ 31,765
Instruction	2,458,435
Pupil Transportation	850,509
Total Depreciation Expense	<u>\$ 3,340,709</u>

IX. Short -Term Debt

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>
BAN	6/25/2021	1.50%	\$ 22,833,376	\$ -	\$ 22,833,376	\$ -
BAN	11/19/2021	1.25%	-	11,995,000	-	11,995,000
Total Short-Term Debt			<u>\$ 22,833,376</u>	<u>\$ 11,995,000</u>	<u>\$ 22,833,376</u>	<u>\$ 11,995,000</u>

(IX.) (Continued)

A summary of the short-term interest expense for the year is as follows:

Interest Paid	\$ 342,501
Less: Interest Accrued in the Prior Year	(4,757)
Plus: Interest Accrued in the Current Year	92,045
Total Short-Term Interest Expense	\$ 429,789

X. Long-Term Debt Obligations

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

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable -					
Serial Bonds	\$ 23,632,363	\$ 23,645,436	\$ 6,897,363	\$ 40,380,436	\$ 3,540,436
Unamortized Bond Premium	2,599,596	4,081,603	185,685	6,495,514	-
Energy Performance Contracts	252,640	-	252,640	-	-
Total Bonds and Notes Payable	\$ 26,484,599	\$ 27,727,039	\$ 7,335,688	\$ 46,875,950	\$ 3,540,436
Other Liabilities -					
Net Pension Liability	\$ 7,885,377	\$ -	\$ 3,299,177	\$ 4,586,200	\$ -
OPEB	220,498,316	-	32,468,535	188,029,781	-
Compensated Absences	4,843,214	-	1,240,066	3,603,148	1,324,299
Total Other Liabilities	\$ 233,226,907	\$ -	\$ 37,007,778	\$ 196,219,129	\$ 1,324,299
Total Long-Term Obligations	\$ 259,711,506	\$ 27,727,039	\$ 44,343,466	\$ 243,095,079	\$ 4,864,735

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial and statutory bond obligations:

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2021
Serial Bonds -					
Refunded Bond	\$ 4,260,000	2016	2024	2%-5%	\$ 2,655,000
BOCES Project	\$ 3,745,000	2021	2028	3%-5%	3,325,000
Buses	\$ 909,938	2017	2022	1%-2%	190,000
Buses	\$ 930,946	2018	2023	1.25%-1.75%	390,000
Buses	\$ 987,045	2018	2024	2.000%-2.125%	610,000
Buses	\$ 1,152,363	2020	2025	5.00%	960,000
Construction	\$ 12,845,000	2020	2034	5.00%	12,350,000
Construction	\$ 18,650,000	2021	2036	4%-5%	18,650,000
Buses	\$ 1,250,436	2022	2026	1.00%	1,250,436
Total Serial Bonds					\$ 40,380,436

(X.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,960,436	\$ 2,061,538
2023	3,855,000	1,654,991
2024	3,820,000	1,504,378
2025	2,790,000	1,346,000
2026	2,650,000	1,237,800
2027-31	12,030,000	4,357,250
2032-36	11,275,000	1,357,750
Total	\$ 40,380,436	\$ 13,519,707

Interest on long-term debt for June 30, 2021 was composed of:

Interest Paid	\$ 1,250,222
Less: Amortized Bond Premium	(185,685)
Less: Interest Accrued in the Prior Year	(102,925)
Plus: Interest Accrued in the Current Year	119,315
Total Long-Term Interest Expense	\$ 1,080,927

On July 22, 2020, the District issued \$3,745,000 in general obligation bonds with an average interest rate of 3.75% to advance refund \$4,225,000 of outstanding serial bonds with an average interest rate of 2.97%. The net proceeds of \$4,253,433 (after payment of \$94,521 in underwriting fees, insurance and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the District's financial statements. The District advance refunded the bonds to revise its payment schedules due to changes in New York State's aid payment schedules. The economic gain (the difference between the present value of the debt service payments on the old and new debt) is approximately \$412,778.

XI. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 22,201,892	\$ 11,428,932
OPEB	57,633,361	48,461,987
Total	\$ 79,835,253	\$ 59,890,919

XII. Pension Plans

A. General Information

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

B. Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystsr.org.

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

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 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 VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

(XII.) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2021:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2021	\$ 1,388,012	\$ 2,479,454

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension assets/(liability)	\$ (30,209)	\$ (4,555,991)
District's portion of the Plan's total net pension asset/(liability)	0.0303378%	0.164877%

For the year ended June 30, 2021, the District recognized pension expenses of \$828,799 for ERS and \$6,153,459 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 368,928	\$ 3,991,960	\$ -	\$ 233,486
Changes of assumptions	5,554,379	5,762,268	104,757	2,053,948
Net difference between projected and actual earnings on pension plan investments	-	2,975,462	8,677,676	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	353,571	236,875	24,381	334,684
Subtotal	\$ 6,276,878	\$ 12,966,565	\$ 8,806,814	\$ 2,622,118
District's contributions subsequent to the measurement date	336,148	2,622,301	-	-
Grand Total	\$ 6,613,026	\$ 15,588,866	\$ 8,806,814	\$ 2,622,118

(XII.) (Continued)

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2021	\$ -	\$ 1,794,301
2022	(402,021)	3,602,231
2023	(93,187)	2,913,128
2024	(403,742)	1,801,401
2025	(1,630,986)	46,246
Thereafter	-	187,140
Total	\$ (2,529,936)	\$ 8,550,146

E. Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.50%	4.72%-1.90%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%
COLA's	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2019. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized as follows:

(XII.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
<u>Asset Type -</u>		
Domestic equity	4.05%	7.10%
International equity	6.30%	7.70%
Global equity	0.00%	7.40%
Private equity	6.75%	10.40%
Real estate	4.95%	6.80%
Absolute return strategies *	4.50%	0.00%
Opportunistic portfolios	4.50%	0.00%
Real assets	5.95%	0.00%
Bonds and mortgages	0.00%	0.00%
Cash	0.50%	0.00%
Inflation-indexed bonds	0.50%	0.00%
Private debt	0.00%	5.20%
Real estate debt	0.00%	3.60%
High-yield fixed income securities	0.00%	3.90%
Domestic fixed income securities	0.00%	1.80%
Global fixed income securities	0.00%	1.00%
Short-term	0.00%	0.70%
Credit	3.63%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.0% for ERS and 2.2% for TRS.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

F. Discount Rate

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

G. Sensitivity 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 5.90% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 6.10% for TRS) or 1-percentage-point higher (6.90% for ERS and 8.10% for TRS) than the current assumption :

(XII.) (Continued)

<u>ERS</u>	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (8,384,726)	\$ (30,209)	\$ 7,674,612

<u>TRS</u>	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	\$ (28,778,626)	\$ (4,555,991)	\$ 15,772,938

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension liability	\$ 220,680,157	\$ 123,242,776
Plan net position	220,580,583	120,479,505
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (2,763,271)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	99.95%	97.80%

I. Payables to the Pension Plan

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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$336,148.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$2,812,761.

XIII. Postemployment Benefits

A. General Information About the OPEB Plan

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

Benefits Provided – The District provides healthcare and life insurance 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.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	378
Active Employees	645
Total	1023

B. Total OPEB Liability

The District’s total OPEB liability of \$188,029,781 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	Varies by pension retirement system membership
Discount Rate	2.16 percent
Healthcare Cost Trend Rates	Initial rate of 5.7% decerasing to an ultimate rate of 4.04% by 2075
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2021.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected generationally using MP-2020.

(XIII.) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 220,498,316</u>
<u>Changes for the Year -</u>	
Service cost	\$ 9,231,595
Interest	5,035,854
Differences between expected and actual experience	(3,253,106)
Changes in assumptions or other inputs	(39,735,999)
Benefit payments	<u>(3,746,879)</u>
Net Changes	<u>\$ (32,468,535)</u>
Balance at June 30, 2021	<u>\$ 188,029,781</u>

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

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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(1.16%)</u>	<u>(2.16%)</u>	<u>(3.16%)</u>
Total OPEB Liability	\$ 230,737,376	\$ 188,029,781	\$ 155,159,649

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:

	1% Decrease	Healthcare	1% Increase
	<u>(1.16%)</u>	<u>Cost Trend Rates</u>	<u>(3.16%)</u>
Total OPEB Liability	\$ 149,984,286	\$ 188,029,781	\$ 239,624,642

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$17,169,063. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(XIII.) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501,907	\$ 10,991,776
Changes of assumptions	57,131,454	37,470,211
Total	\$ 57,633,361	\$ 48,461,987

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

<u>Year</u>	
2022	\$ 2,901,614
2023	2,901,614
2024	2,901,614
2025	2,901,614
2026	3,706,223
Thereafter	(6,141,305)
Total	\$ 17,876,216

XIV. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, 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.

B. Health Insurance

The District is a participant in the BOCES sponsored Cooperative Health Insurance Fund of Central New York, a non-risk-retained public entity risk pool for its employees' health insurance coverage. The pool is operated for the benefit of the 30 individual governmental units located within the pool's geographic area. The District pays an annual premium to the Plan for this health insurance coverage. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The total cost incurred by the Plan totaled \$13,687,504. The Plan was fully funded as of the last audit.

(XIV.) (Continued)

C. Workers' Compensation

The District is a member of the Onondaga-Cortland-Madison Workers' Consortium (the Plan). Current membership of the Plan includes participants from various municipal entities. The Plan is administered by Onondaga-Cortland-Madison BOCES and utilizes a third party administrator who is responsible for processing claims, estimating liabilities and providing actuarial services. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling \$568,720. The District has established a workers' compensation reserve totaling \$1,186,486 at June 30, 2021.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The claim and judgment expenditures of this program for the 2020-21 fiscal year totaled \$77,986. In addition, as of June 30, 2021, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

There is one pending claim filed against the District for which the financial outcome, if any, cannot be determined at this time.

B. Grants

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

XVI. Tax Abatement

The County of Oswego IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$37,492. The District received payment in lieu of tax (PILOT) payment totaling \$23,502 to help offset the property tax reduction.

XVII. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School’s financial condition, liquidity, voter approved budgets, and future results of operations. Management is actively monitoring the global situation on its financial condition, budgets, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The School District was awarded three different stimulus packages known as Coronavirus Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

The District reported \$957,762 in CARES revenues and expenditures during the 2021 fiscal year and has submitted the CRRSA and ARPA funding applications to the New York State Education Department for approval. All three stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the National School Breakfast and Lunch Program.

Required Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2021

TOTAL OPEB LIABILITY				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 9,231,595	\$ 5,831,029	\$ 3,663,161	\$ 3,830,291
Interest	5,035,854	5,835,892	5,292,373	4,802,856
Differences between expected and actual experiences	(3,253,106)	702,671	(13,125,439)	-
Changes of assumptions or other inputs	(39,735,999)	49,552,452	34,778,956	(6,783,103)
Benefit payments	<u>(3,746,879)</u>	<u>(3,683,101)</u>	<u>(2,853,610)</u>	<u>(3,008,180)</u>
Net Change in Total OPEB Liability	\$ (32,468,535)	\$ 58,238,943	\$ 27,755,441	\$ (1,158,136)
Total OPEB Liability - Beginning	\$ 220,498,316	\$ 162,259,373	\$ 134,503,932	\$ 135,662,068
Total OPEB Liability - Ending	<u>\$ 188,029,781</u>	<u>\$ 220,498,316</u>	<u>\$ 162,259,373</u>	<u>\$ 134,503,932</u>
Covered Employee Payroll	\$ 33,669,452	\$ 37,444,478	\$ 31,284,029	\$ 33,735,288
Total OPEB Liability as a Percentage of Covered				
Employee Payroll	558.46%	588.87%	518.67%	398.70%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2021

NYSERS Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.030338%	0.0297780%	0.0293775%	0.0304142%	0.030575%	0.030536%	0.031303%
Proportionate share of the net pension liability (assets)	\$ (30,209)	\$ 7,885,377	\$ 2,081,488	\$ 981,600	\$ 2,872,914	\$ 4,901,046	\$ 1,048,432
Covered-employee payroll	\$ 9,692,690	\$ 8,991,633	\$ 8,867,675	\$ 8,811,588	\$ 8,358,104	\$ 8,360,405	\$ 8,122,247
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-0.312%	87.697%	23.473%	11.140%	34.373%	58.622%	12.908%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.164877%	0.162383%	0.160854%	0.163679%	0.162188%	0.167686%	0.160961%
Proportionate share of the net pension liability (assets)	\$ 4,555,991	\$ (4,218,728)	\$ (2,908,664)	\$ (1,244,122)	\$ 1,737,103	\$(17,417,225)	\$(17,930,075)
Covered-employee payroll	\$ 27,941,492	\$ 28,428,120	\$ 27,104,407	\$ 26,201,306	\$ 25,937,709	\$ 25,425,587	\$ 25,658,509
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	16.305%	-14.840%	-10.731%	-4.748%	6.697%	-68.503%	-69.880%
Plan fiduciary net position as a percentage of the total pension liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2021

NYSERS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,388,012	\$ 1,289,913	\$ 1,311,697	\$ 1,313,298	\$ 1,260,715	\$ 1,233,171	\$ 1,379,655
Contributions in relation to the contractually required contribution	<u>(1,388,012)</u>	<u>(1,289,913)</u>	<u>(1,311,697)</u>	<u>(1,313,298)</u>	<u>(1,260,715)</u>	<u>(1,233,171)</u>	<u>(1,379,655)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,692,690	\$ 8,991,633	\$ 8,867,675	\$ 8,811,588	\$ 8,358,104	\$ 8,360,405	\$ 8,122,247
Contributions as a percentage of covered-employee payroll	14.32%	14.35%	14.79%	14.90%	15.08%	14.75%	16.99%
NYSTRS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,812,761	\$ 2,662,490	\$ 3,034,500	\$ 2,715,749	\$ 3,165,231	\$ 3,318,751	\$ 4,415,580
Contributions in relation to the contractually required contribution	<u>(2,812,761)</u>	<u>(2,662,490)</u>	<u>(3,034,500)</u>	<u>(2,715,749)</u>	<u>(3,165,231)</u>	<u>(3,318,751)</u>	<u>(4,415,580)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 27,941,492	\$ 28,428,120	\$ 27,104,407	\$ 26,201,306	\$ 25,937,709	\$ 25,425,587	\$ 25,658,509
Contributions as a percentage of covered-employee payroll	10.07%	9.37%	11.20%	10.36%	12.20%	13.05%	17.21%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2021

	<u>Original</u>	<u>Amended</u>	<u>Current</u>	<u>Over (Under)</u>
	<u>Budget</u>	<u>Budget</u>	<u>Year's</u>	<u>Revised</u>
			<u>Revenues</u>	<u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 25,682,466	\$ 25,682,466	\$ 25,921,539	\$ 239,073
Charges for services	150,000	150,000	137,107	(12,893)
Use of money and property	235,000	235,000	106,734	(128,266)
Sale of property and compensation for loss	-	-	47,215	47,215
Miscellaneous	2,600,000	2,600,000	2,092,785	(507,215)
State Sources -				
Basic formula	37,479,825	37,479,825	35,159,937	(2,319,888)
Lottery aid	4,628,270	4,628,270	6,623,371	1,995,101
BOCES	4,298,834	4,298,834	4,651,451	352,617
Textbooks	284,085	284,085	216,574	(67,511)
All Other Aid -				
Computer software	54,273	54,273	121,784	67,511
Library loan	22,643	22,643	22,643	-
Handicapped students	-	-	117,346	117,346
Other aid	-	-	232,267	232,267
Federal Sources	150,000	150,000	1,030,681	880,681
TOTAL REVENUES	<u>\$ 79,825,857</u>	<u>\$ 79,825,857</u>	<u>\$ 80,554,719</u>	<u>\$ 728,862</u>
Appropriated fund balance	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>		
Prior year encumbrances	<u>\$ 1,352,937</u>	<u>\$ 1,352,937</u>		
TOTAL REVENUES AND				
APPROPRIATED RESERVES/				
FUND BALANCE	<u>\$ 82,678,794</u>	<u>\$ 82,678,794</u>		

Required Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2021

	Original	Amended	Current		Unencumbered
	<u>Budget</u>	<u>Budget</u>	<u>Year's</u>	<u>Encumbrances</u>	<u>Balances</u>
EXPENDITURES			<u>Expenditures</u>		
General Support -					
Board of education	\$ 96,990	\$ 111,504	\$ 72,727	\$ 260	\$ 38,517
Central administration	265,543	276,074	271,502	8,015	(3,443)
Finance	617,733	606,198	515,447	20,648	70,103
Staff	368,615	356,768	259,958	1,338	95,472
Central services	7,129,145	7,129,144	6,043,631	1,045,680	39,833
Special items	2,245,150	2,232,927	2,197,664	-	35,263
Instructional -					
Instruction, administration and improvement	2,791,829	2,731,577	2,290,387	218,430	222,760
Teaching - regular school	17,665,863	17,627,150	16,445,309	87,522	1,094,319
Programs for children with handicapping conditions	10,396,156	10,753,093	11,101,578	3,664	(352,149)
Occupational education	2,609,138	2,610,048	2,522,261	43,564	44,223
Instructional media	2,165,296	2,270,723	2,284,726	160,256	(174,259)
Pupil services	3,465,905	3,421,748	2,962,397	81,310	378,041
Pupil Transportation	5,251,952	5,264,176	3,985,266	75,633	1,203,277
Employee Benefits	22,339,479	22,017,664	20,433,232	-	1,584,432
TOTAL EXPENDITURES	<u>\$ 77,408,794</u>	<u>\$ 77,408,794</u>	<u>\$ 71,386,085</u>	<u>\$ 1,746,320</u>	<u>\$ 4,276,389</u>
Other Uses -					
Transfers - out	\$ 5,270,000	\$ 5,270,000	\$ 5,214,258	\$ -	\$ 55,742
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 82,678,794</u>	<u>\$ 82,678,794</u>	<u>\$ 76,600,343</u>	<u>\$ 1,746,320</u>	<u>\$ 4,332,131</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,954,376</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>16,635,543</u>	<u>16,635,543</u>	<u>16,635,543</u>		
FUND BALANCE, END OF YEAR	<u><u>\$ 16,635,543</u></u>	<u><u>\$ 16,635,543</u></u>	<u><u>\$ 20,589,919</u></u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 81,325,857
Prior year's encumbrances	<u>1,352,937</u>
Original Budget	<u>\$ 82,678,794</u>
FINAL BUDGET	<u><u>\$ 82,678,794</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2021-22 voter approved expenditure budget	\$ 85,963,942
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 4,746,320
Unassigned fund balance	<u>5,014,820</u>
Total Unrestricted fund balance	<u>\$ 9,761,140</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 3,000,000
Encumbrances included in assigned fund balance	<u>1,746,320</u>
Total adjustments	<u>\$ 4,746,320</u>
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	<u>5,014,820</u>
ACTUAL PERCENTAGE	<u><u>5.83%</u></u>

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2021

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Obligations</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Total</u>	
District Wide Renovations	\$ 40,800,000	\$ 40,800,000	\$ 31,143,835	\$ 8,356,694	\$ 39,500,529	\$ 1,299,471	\$ 31,495,000	\$ 8,600,471	\$ 704,529	\$ 40,800,000	\$ 1,299,471
Emergency Septic Project	301,000	301,000	281,938	-	281,938	19,062	-	293,417	-	293,417	11,479
Smart Schools Bond Act	4,076,734	4,076,734	1,426,485	1,220,504	2,646,989	1,429,745	-	-	2,646,989	2,646,989	-
2018-19 Capital Outlay Project	100,000	100,000	92,940	-	92,940	7,060	-	100,000	-	100,000	7,060
2019-20 Capital Outlay Project	100,000	100,000	1,200	83,298	84,498	15,502	-	100,000	-	100,000	15,502
2019-20 Bus Purchase	1,152,363	1,152,363	1,150,375	-	1,150,375	1,988	1,152,363	-	-	1,152,363	1,988
2019 Security Project	11,995,000	11,995,000	620,269	5,813,795	6,434,064	5,560,936	-	-	-	-	(6,434,064)
2020-21 Capital Outlay	100,000	100,000	-	91,938	91,938	8,062	-	100,000	-	100,000	8,062
2020-21 Bus Purchase	1,250,437	1,250,437	-	1,250,437	1,250,437	-	1,250,436	1	-	1,250,437	-
TOTAL	\$ 59,875,534	\$ 59,875,534	\$ 34,717,042	\$ 16,816,666	\$ 51,533,708	\$ 8,341,826	\$ 33,897,799	\$ 9,193,889	\$ 3,351,518	\$ 46,443,206	\$ (5,090,502)

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			Debt	Total
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Service Fund	Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 749,111	\$ 69,177	\$ 233,757	\$ 1,803,869	\$ 2,855,914
Receivables	1,098,319	132,517	-	-	1,230,836
Inventories	-	62,665	-	-	62,665
Due from other funds	-	608	-	-	608
TOTAL ASSETS	\$ 1,847,430	\$ 264,967	\$ 233,757	\$ 1,803,869	\$ 4,150,023
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u> -					
Accounts payable	\$ -	\$ 7,713	\$ -	\$ -	\$ 7,713
Accrued liabilities	-	8,198	-	-	8,198
Due to other funds	1,847,430	978,890	-	-	2,826,320
Due to other governments	-	87	-	-	87
Unearned revenue	-	32,243	-	-	32,243
TOTAL LIABILITIES	\$ 1,847,430	\$ 1,027,131	\$ -	\$ -	\$ 2,874,561
<u>Fund Balances</u> -					
Nonspendable	\$ -	\$ 62,665	\$ -	\$ -	\$ 62,665
Restricted	-	-	233,757	1,803,869	2,037,626
Unassigned	-	(824,829)	-	-	(824,829)
TOTAL FUND BALANCE	\$ -	\$ (762,164)	\$ 233,757	\$ 1,803,869	\$ 1,275,462
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,847,430	\$ 264,967	\$ 233,757	\$ 1,803,869	\$ 4,150,023

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Combined Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2021

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Fund	Funds
REVENUES					
Use of money and property	\$ -	\$ 28	\$ 18	\$ 23,485	\$ 23,531
Miscellaneous	-	78,226	89,170	-	167,396
State sources	588,535	15,939	-	-	604,474
Federal sources	2,158,908	639,344	-	-	2,798,252
TOTAL REVENUES	\$ 2,747,443	\$ 733,537	\$ 89,188	\$ 23,485	\$ 3,593,653
EXPENDITURES					
General support	\$ -	\$ -	\$ -	\$ 387,749	\$ 387,749
Instruction	2,470,236	-	-	-	2,470,236
Employee benefits	428,738	242,073	-	-	670,811
Debt service - principal	-	-	-	3,320,003	3,320,003
Debt service - interest	-	-	-	1,592,723	1,592,723
Cost of sales	-	389,772	-	-	389,772
Other expenses	-	563,957	28,655	-	592,612
TOTAL EXPENDITURES	\$ 2,898,974	\$ 1,195,802	\$ 28,655	\$ 5,300,475	\$ 9,423,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (151,531)	\$ (462,265)	\$ 60,533	\$ (5,276,990)	\$ (5,830,253)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 151,531	\$ 50,000	\$ -	\$ 4,912,727	\$ 5,114,258
Premium on obligations issued	-	-	-	999,454	999,454
Payment to refunded bond escrow agent	-	-	-	(4,253,433)	(4,253,433)
Proceeds from advanced refunding	-	-	-	3,745,000	3,745,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ 151,531	\$ 50,000	\$ -	\$ 5,403,748	\$ 5,605,279
NET CHANGE IN FUND BALANCE	\$ -	\$ (412,265)	\$ 60,533	\$ 126,758	\$ (224,974)
FUND BALANCE, BEGINNING OF YEAR (restated)	-	(349,899)	173,224	1,677,111	1,500,436
FUND BALANCE, END OF YEAR	\$ -	\$ (762,164)	\$ 233,757	\$ 1,803,869	\$ 1,275,462

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
For The Year Ended June 30, 2021

Capital assets, net		\$ 90,346,045
Add:		
Unspent bond proceeds	<u>\$ 1,301,459</u>	1,301,459
Deduct:		
Bond payable	\$ 40,380,436	
Unamortized bond premium	6,495,514	
Assets purchased with short-term financing	<u>6,434,064</u>	<u>53,310,014</u>
Net Investment in Capital Assets		<u><u>\$ 38,337,490</u></u>

Supplementary Information
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2021

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-21-0713	\$ 901,610
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-21-0713	37,344
<i>Total Special Education Cluster IDEA</i>				\$ 938,954
<u>Education Stabilization Fund -</u>				
CARES Act - ESSER	84.425D	N/A	5890-21-2345	\$ 818,817
CARES Act - GEER	84.425C	N/A	5895-21-2345	138,945
<i>Total Education Stabilization Fund</i>				\$ 957,762
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-2345	65,088
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-21-2345	34,068
Title IV - Student Support and Enrichment Program	84.424	N/A	0204-20-2345	2,123
Title IV - Student Support and Enrichment Program	84.424	N/A	0204-21-2345	59,961
Title I - School Improvement Grant	84.010	N/A	0011-20-2038	56,269
Title I - School Improvement Grant	84.010	N/A	0011-21-2038	101,808
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-20-2345	106,273
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-21-2345	794,364
Total U.S. Department of Education				\$ 3,116,670
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program - COVID	10.555	N/A	N/A	\$ 376,763
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A	47,387
National School Breakfast Program - COVID	10.553	N/A	N/A	215,194
<i>Total Child Nutrition Cluster</i>				\$ 639,344
Total U.S. Department of Agriculture				\$ 639,344
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 3,756,014

**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***

Independent Auditors' Report

To the Board of Education
Central Square Central School District, New York

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

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central Square Central School District, New York's internal control over financial reporting 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 Central Square Central School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Square Central School District, New York'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Rochester, New York
September 30, 2021

Mengel, Metzger, Barw & Co. LLP